

CREDIT and FINANCIAL MANAGEMENT

DEVOTED TO INDUSTRY ★ FINANCE ★ COMMERCE

UNIVERSITY
OF MICHIGAN

MAR 21 1952

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TOP MANAGEMENT BLUEPRINTS FUTURE

Story on page 5

**Dividend Checks in Search of Owners
Gave Companies' "Sleuths" Merry Chase**

**How Preventive and Internal Controls
Cut Operation Costs, Increase Sales**

**Commercial Research: Management's
Road to Efficiency in Selling Market**

**Analysis versus Waste in Distribution;
Fewer Statistics, More Interpretation**

APRIL, 1952

HIGHLIGHTS OF THE 40TH ANNUAL REPORT

Commercial Credit Company

BALTIMORE

The activities of Commercial Credit Company are operated through three divisions, consisting of its Finance Companies, Insurance Companies and Manufacturing Companies.

Gross Receivables acquired by its Finance Companies, Earned Premiums of its Insurance Companies and Net Sales of its Manufacturing Companies were larger than for any previous year in the history of the Company.



Consolidated balance sheet as of December 31, 1951

ASSETS		
CURRENT ASSETS:		
Cash in banks and on hand		\$ 66,159,758.15
Marketable Securities:		
U. S. Government Obligations	\$ 74,398,664.77	
Other Marketable Securities	15,068,553.91	
	<u>\$ 89,467,218.68</u>	
Less Reserves	632,577.49	88,834,641.19
Accounts and Notes Receivable:		
Motor and Other Retail and "F.H.A."	\$443,073,595.21	
Motor and Other Wholesale	146,867,915.21	
Open Accounts, Notes, Mortgages and Factoring Receivables	91,974,914.87	
Direct or "Personal Loan" Receivables	40,241,438.55	
Sundry Accounts and Notes	3,226,539.89	
Total	<u>\$725,384,403.73</u>	
Less Reserves for:		
Unearned Income	\$ 23,477,398.65	
Losses on Accounts and Notes	11,880,962.28	
Total Reserves	<u>\$ 35,358,360.93</u>	690,026,042.80
Other Current Assets:		
Trade Accounts and Notes Receivable "Manufacturing Companies"	\$ 7,358,150.90	
Premiums Receivable—"Insurance Companies"	295,636.26	
Inventories—"Manufacturing Companies"	11,903,689.28	19,557,476.44
Total Current Assets		<u>\$864,577,918.58</u>
FIXED AND OTHER ASSETS:		
Land, Buildings, and Equipment "Manufacturing Companies"	\$ 8,031,852.02	
Company Cars—used by Representatives	1,329,660.04	
Cash Surrender Value Life Insurance	93,086.19	
Repossessions—at depreciated values	<u>495,133.61</u>	9,949,731.86
DEFERRED CHARGES:		
Prepaid Interest and Discount	\$ 2,852,949.66	
Prepaid Insurance and Expenses	<u>1,222,548.15</u>	4,075,497.81
		<u>\$878,603,148.25</u>

LIABILITIES, CAPITAL AND SURPLUS		
CURRENT LIABILITIES:		
Notes Payable—Unsecured Short Term:		\$455,073,500.00
Accounts Payable:		
Credit Balances of Manufacturing and Selling Agents	9,442,460.54	
Sundry	10,619,485.41	
Due Customers only when Receivables are collected	<u>7,626,545.86</u>	27,688,491.81
Accrued Income and Excess Profits Taxes		28,909,084.55
Accrued Other Taxes		3,015,893.15
Customers' Loss Reserves		19,358,156.49
Total Current Liabilities		<u>\$534,045,126.00</u>
UNEARNED PREMIUMS— "INSURANCE COMPANIES"		
		31,371,410.93
RESERVES FOR:		
Losses and Loss Expense—		
"Insurance Companies"	\$ 5,703,274.26	
Fluctuations in Security Values	406,184.71	
Canadian Exchange Fluctuations	<u>130,496.18</u>	6,239,955.15
UNSECURED NOTES:		
Notes, 2¼% due serially—1953-1957	\$ 41,500,000.00	
Notes, 3¼% due 1961	40,000,000.00	
Note, 3% due 1963	<u>50,000,000.00</u>	131,500,000.00
SUBORDINATED UNSECURED NOTES:		
Notes, 3% due 1957	\$ 25,000,000.00	
Notes, 3.95% due 1964	<u>25,000,000.00</u>	50,000,000.00
MINORITY INTEREST IN SUBSIDIARIES		
		62,063.94
CAPITAL STOCK AND SURPLUS:		
Common Stock—\$10 par value:		
Authorized—3,000,000 shares		
Issued and Outstanding—2,278,843 full shares and 130 shares of fractional scrip	\$ 22,789,730.00	
Capital Surplus	38,042,919.93	
Earned Surplus	<u>64,551,942.30</u>	125,384,592.23
		<u>\$878,603,148.25</u>

A few facts, as of December 31, 1951 and 1950

CONSOLIDATED OPERATIONS	1951	1950
Gross Finance Receivables Acquired	\$2,783,942,471	\$2,346,583,865
Gross Insurance Premiums, Prior to Reinsurance	41,604,516	42,739,802
Net Sales of Manufacturing Companies	99,115,875	84,992,183
Gross Income	118,941,880	106,138,880
Net Income from Current Operations, before		
United States and Canadian Income Taxes	44,937,240	41,022,804
United States and Canadian Income Taxes	24,223,353	19,869,293
United States Excess Profits Tax	1,000,000	1,300,000
Salaries, Wages, Commissions	46,625,518	43,059,111

NET INCOME	1951	1950
Finance Companies	\$11,873,474	\$10,925,044
Insurance Companies	3,265,108	5,397,361
Manufacturing Companies	4,575,305	3,531,106
Net Income from Current Operations	<u>\$19,713,887</u>	<u>\$19,853,511</u>
Net Income per share on Common Stock	\$8.65	\$8.64
United States and Canadian Taxes on		
Income—per share	11.06	9.28
Book Value per share—Common Stock	55.01	51.02

Detailed Report is Available Upon Request

More than 300 Offices in Principal Cities of United States and Canada

The VALUE that cannot be measured...

THIS is the time of year when The Home Insurance Company reports on its operations and progress for the previous year. In so doing, as you will note, we list the physical assets of the company.

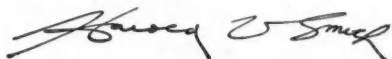
One of our most fundamental assets, however, cannot be listed and evaluated in dollars. That asset is the close bond of personal interest and friendship that has always existed between The Home and the policyholders it serves.

This asset has a threefold source. In part, it springs from the very nature of the business in which The Home is engaged. No field of activity is more deeply personal than the field of property insurance... the protection of a man's home, his business, his cherished possessions. Another underlying stimulus of this friendly relationship is the natural concern any policyholder feels regarding the company which provides him protection, and his loyalty to a company which proves itself worthy of loyalty. The third source lies in the whole business philosophy of The Home and its more than 40,000 agents and representatives... a warm and human way of doing business on the directly personal level; a relationship of people with people—people supplying service to people with a need for that service.

To the stockholders who own The Home, no asset is of greater value. Every premium payment, every policy, every claim and every benefit that make up the story of The Home for 1951 is a direct outgrowth of that bond of friendly interest.

It is the foundation on which The Home builds.

Sincerely,



PRESIDENT

PROPERTY
INSURANCE

★ THE HOME ★
Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

Balance Sheet

	December 31, 1951
ADMITTED ASSETS	
United States Government Bonds	\$ 94,712,097.11
Other Bonds	61,066,023.83
Preferred and Common Stocks	137,331,389.75
Cash in Office, Banks and Trust Companies	34,525,001.17
Investment in The Home Indemnity Company	16,775,982.44
Real Estate	6,804,977.76
Agents' Balances or Uncollected Premiums	19,562,958.04
Other Admitted Assets	4,154,929.80
Total Admitted Assets	<u>\$374,933,359.90</u>
LIABILITIES AND CAPITAL	
Reserve for Unearned Premiums	\$163,843,315.15
Unpaid Losses and Loss Expenses	33,259,160.83
Taxes Payable	7,500,000.00
Reserves for Reinsurance	1,783,086.36
Dividends Declared	3,600,000.00
Other Liabilities	4,596,351.05
Total Liabilities	<u>\$214,581,913.39</u>
Capital Stock	\$ 20,000,000.00
Surplus	<u>140,351,446.51</u>
Surplus as Regards Policyholders	<u>\$160,351,446.51</u>
Total	<u>\$374,933,359.90</u>

NOTES: Bonds carried at \$5,514,759 Amortized Value and Cash \$80,000 in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Based on December 31, 1951 market quotations for all bonds and stocks owned, the Total Admitted Assets would be \$371,808,657 and the Surplus as Regards Policyholders would be \$157,226,744.

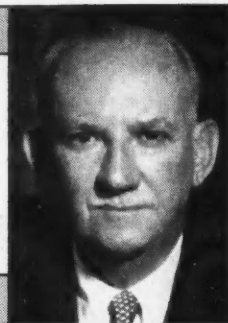


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IVAN ESCOTT Vice President		J. EDWARD MEYER* President, Cord Meyer Development Company

*Elected January 14, 1952

Editorial



"One to a Customer"

TRADITIONALLY it has always been a good merchandising policy to offer better prices on quantity purchases. Quantity orders can be produced and delivered at less cost. Courageous industrialists have deliberately set what appeared to be a losing price on their products in the belief that quantity production and distribution finally would enable them to realize a profit. Their promotions have been successful because they created a larger demand. They found such policies paid dividends not only to their company but, equally importantly, to their customers.

In more recent years the government through legislation has tried to restrict these operations. By law it has limited the measure of quantity discounts and now it comes along and challenges the whole philosophy of production and distribution in one of its own operations. It is no longer cheaper to buy from the government by the dozens.

Take the penny post card. The buyer who wants up to 49 gets them at 2c but anyone wanting a larger number must pay a premium. The theory is that a post card is a losing proposition for the government; therefore, the post office department seeks to limit their use.

If business tackled this problem it would assume that a heavier sale of a product, that with low production might show a loss, would with high production show a profit. If the Post Office were operated privately this is exactly the policy that would be followed. That has been characteristic of American production and distribution and has been responsible for American industrial supremacy and our high standard of living.

But everything in government for a number of years seems to have been operated on a topsy-turvy basis. No longer does the old maxim of cheaper by the dozen apply. The government slogan is "one to a customer". Isn't it too bad that the government doesn't think of this philosophy when making its budgets. Such consistency might cause less resentment among our people. Of course the planners will contend the larger buyer represents business and of course "business" ought to be made to pay. Carry this philosophy to its conclusion and you may expect the price of a pound of steak to vary with the kind of customer that wants to buy it.

Ridiculous? Of course. However, many of the present government controls and regulations are just about as shortsighted and indefensible. No one understands them, much less their philosophy, nor do those who seek to enforce them. They are the result of kindergarten economics.

A stylized, handwritten signature in dark ink, reading "Henry H. Heimann". The signature is fluid and cursive, with a long, sweeping underline.

HENRY H. HEIMANN,
Executive Vice President

THE APRIL COVER

NOT ALL old soldiers fade away. In fact, not all are even old. The three troopers of credit organizational progress depicted on the cover are all past presidents of the National Association of Credit Men but they're old only in experience.

Evidence of continuing activity is this recent get-together to develop ways to enhance the contributions of credit and management to busi-



ness growth. They are (l to r) Charles E. Fernald, senior partner, Fernald and Company, accountants and auditors, Philadelphia, Pa.; A. J. Sutherland, president, the Security Trust and Savings Bank, San Diego, Calif.; and Paul Miller, president, the Marlborough Company, Atlanta.

Mr. Fernald spent several years in engineering before entering the accounting profession.

Besides being executive vice president of the Lea River Lines, Inc., he is a director of several affiliated companies.

Mr. Fernald has been chairman of the N.A.C.M. budget committee many years, is a trustee and past vice president of the Credit Research Foundation.

Mr. Sutherland began in banking at Palmer, Kansas. He went on to have charge of the First National Bank in Bakersfield, thence to San Diego as vice president.

Mr. Sutherland is treasurer of the Fine Arts Society of San Diego, member of the commission for legislation and taxation of the California Bankers Association, present or past executive of a number of business and community groups.

Paul Miller, president, the Marlborough Company, is past president of the Atlantic Steel Company.

He was a director of N.A.C.M. for three years, served a year as vice president of the eastern division, and was elected to National's presidency at St. Louis in 1943.

Mr. Miller is president of the Credit Research Foundation.

**CREDIT
and**

FINANCIAL MANAGEMENT

DEVOTED TO INDUSTRY * FINANCE * COMMERCE

General Manager: Edwin B. Moran

Official Publication of The National Association of Credit Men

VOLUME 54

NUMBER 4

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☐ BOTH THE PETROLEUM INDUSTRY and the Government's Petroleum Administration for Defense were thumped by Michael V. DiSalle as a parting shot when he left the O.P.S. slot to start jousting for Senator John Bricker's job. The Government fixed the basis of \$2.10 a barrel on the Gulf Coast for ceilings on special fuel oil for the Navy. The industry and the Petroleum Administration had wanted a \$2.17 basis. The ceilings became \$2.20 in the San Francisco Bay area, \$2.15 in California south of San Francisco, \$2.70 at Atlantic ports.

☐ WITHOUT "HASTENING headlong into decontrol," removal of controls on items selling below present ceilings is advisable, says former Governor Ellis Arnall, approved by the Senate banking committee to the O.P.S. seat vacated by Michael DiSalle. President Truman, rolling away from expected blows on this front, asked Congress to *tighten* controls in a two-year extension of the law.

☐ NATIONAL PRODUCTION CAPACITY of 623 million pounds of carbolic acid (phenol) by 1955, more than double the capacity of Jan. 1, 1951, is the goal set by the D.P.A.

☐ A MACHINERY MANUFACTURER now may figure overhead cost adjustment on the company's entire business rather than the individual product, under a new ruling of the O.P.S.

FLICK OF THE PEN. THAT EASY?

What would happen if Congress should refuse to boost the statutory debt limit?

With the resurgence of deficit financing, and bilious billions piling up on the national debt to bring it by June 30, 1953, to an estimated total a mere \$100 millions under the present statutory maximum of \$275 billions, a year later between \$290 and \$300, a Congress with a jelly bean where its backbone is supposed to be can be expected to "solve" that problem next year by boosting the ante accordingly.

Wonder how the late Bert Williams today would sing "Ev'ry little bit, added to what you've got, makes just a little bit more."

☐ Fifteen per cent more copper and 5 per cent more aluminum than in the first quarter were allotted manufacturers of venetian blinds, cigaret lighters, carpet sweepers, toys, jewelry and certain other items for the second period. Not so cheery the news for the makers of stoves, office furniture, refrigerators; they took a cut of 5 per cent each in these metals.

WEREN'T HUNGRY ANYWAY

For those whose appetites have been slightly jaded by the horsemeat scandal, there's the O.P.S. decision to remove price ceilings from wax apples and bananas. Could be a vicarious peristaltic satisfaction from just looking at them, especially if ceiling-free canned worms and rattlesnake meat have no appeal.

For votaries at the shrine of King Control we have word that the ceiling is off incense burners.

☐ HOLDING APPROPRIATIONS within the estimated receipts for 1952-53, eliminating the necessity of tax increase and expansion of the national debt, is the announced intention of Chairman Clarence Cannon (Dem., Mo.) of the House Appropriations committee. A good trick if you can do it, in these days of deficit spending. It *was* done in what seems the long, long ago.

☐ THE 1951 ALLOCATIONS by countries, under which crude oil and fuel oil are allowed to enter the United States under reduced import taxes, have been continued for this year by President Truman.

☐ MANUFACTURERS have one month to adjust quarterly price ceilings to conform with cost changes from using conversion steel, says the O.P.S.

☐ HYBRID CORN producing six to ten more bushels an acre will be necessitated by the population increase, says the Department of Agriculture. Today's average of 35 bushels to the acre is ten bushels better than in the 1924-33 period.

☐ PRICE CONTROL EXEMPTION under G.O.R. 5 does not include furniture manufactured in a few basic designs for mass production where optional features such as decorations are added at customers' requests, according to Harold Leventhal, the O.P.S. general counsel.

❏ **WIRE ROPE SUPPLIES** will be as easy to get as formerly, despite the classification as controlled material, oil and gas well operators were informed by the P.A.D.

❏ **SENATOR E. C. JOHNSON** introduced 19 separate bills for changes in the laws governing the Interstate Commerce Commission. Mr. Johnson, chairman of the interstate and foreign commerce committee, headed a special subcommittee in a three-year study of the I.C.C.

❏ **ADVICE ON SALARY** stabilization problems may now be had by employers from the 80 regional offices of the wage and hour division of the Department of Labor.

❏ **IF THE SENATE** armed services preparedness committee wants to dig into income tax records in search of fraud, collusion or waste in defense contracts, it's okay with him, President Truman announced.

❏ **RARE WHISKIES** distilled before prohibition and bonded during that period have been exempted from price control.

❏ **STEAM PLANTS** will provide almost 50 per cent of the capacity of the T.V.A. two years hence, in contrast with 14 per cent at mid-1951.

❏ **ONLY THE REGIONAL** offices of the Renegotiation Board are to carry on renegotiation of defense contracts, John T. Koehler, board chairman, announced.

A CASKET IS ORNAMENTAL TOO

If dictionaries were written by the N.P.A., we'd all have to go back to elementary school, and we'd never get out of the first grade. Witness the N.P.A. definition of fire escapes and lightning rods as "ornamental iron work." Now if only lightning could read!

❏ **BY AMENDMENT 27** to C.P.R. 30, which regulates machinery manufacturers' prices, the O.P.S. corrected an error which had placed basic metals other than steel under that order. Some products covered by the regulation were defined in detail.

❏ **THE CAPEHART AMENDMENT** came to the rescue of prune canners when O.P.S. by Supplementary Regulation 3 to C.P.R. 56 increased by 25 cents a dozen the ceiling for the can size that accounts for 70 per cent of sales. For other sizes the ceilings were raised 10 cents, to 80 cents a dozen.

❏ **D.P.A. ADMINISTRATOR FLEISCHMANN** asked Government procurement officers to give prime defense contracts to 3,000 companies listed by the N.P.A. as hurt most by reduced allotments of copper and aluminum in the first quarter.

FROM BUNCOMBE TO BUNKER

Another of the multiplying boomerangs of the foreign aid program putting American needs last was the development of the bunker oil shortage on the east coast, delaying ship sailings. Reasons: return of Government-owned ships to service hauling coal and other economic aid products overseas, and supplies to Korea. Meanwhile the shortage of No. 6 residual fuel oil was estimated at 150 to 175 million barrels a day, for the first half-year.

There's a surplus of bunker oil in the U.S. interior.

❏ **FLAT VENEER PRODUCTS**, including popsicle sticks, tongue depressors and mustard paddles and the like, are placed under C.P.R. 95, which bases price ceilings of turned, shaped or other allied wood products upon the margin and pricing formulas pre-Korea.

❏ **DISCOUNTS** on tires in quantity are limited to the single carload by an order of the Federal Trade Commission.

❏ **CHECK** your nearest field office of the Department of Commerce for award data on unclassified contracts in excess of \$25,000 made by Armed Forces Procurement offices.

❏ **AN INDUSTRIAL** diamond salvage committee was formed by diamond wheel manufacturers, with the N.P.A. Crushing bort and diamond powder supplies are lowest in supply.

❏ **THE O.P.S.** has a new special section to cooperate with the defense department to police the prices paid by the Government for aircraft and other defense items.

❏ **NEW RULES** will govern federal agencies' procedure for requisitioning and condemning property for national defense. All must first get D.P.A. authorization, and the agency must show that the property is needed at once and that all possible efforts for negotiation on reasonable terms have been tried in vain. The procedures are in D.P.A. Regulation 3.

OFFICIAL TEXTS—of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25.

Unclaimed Checks in Hunt for Owners Lead Management into a Dizzy Chase

A Tale of Money That Goes Looking for a Stockholder

ALMOST stranger than fiction is the story of the money that goes begging for its owner. You recently saw in the newspapers long lists of taxpayers for whom refunds from the Internal Revenue Bureau were due but were unclaimed. Deposits are left unclaimed in banks; customers' deposits with utility companies are uncalled for; hundreds of letters containing corporate dividend checks come back undelivered.



C. B. EVERBERG

Then what happens? What is their ultimate disposition?

Transfer agents acting for corporations in the distribution of dividends (many banks perform this service, especially for the larger corporations) generally make every effort to find the owners where there is difficulty delivering the letters containing the dividend checks. When these efforts fail, the dividends are transferred to an "unclaimed dividends" account and the ledgers are marked accordingly.

There is one guardian of these dividend children, however, who craves to take them to cover. That guardian is the state, and it throws its arms around the little wards by means of the escheat laws. These laws differ from state to state. Massachusetts overhauled its escheat laws in 1950 (Mass. G. L. c. 200 A.). Roughly, unclaimed property of any kind is presumed to be abandoned after 14 years. Then, after some prescribed advertising in the newspapers, the property or money is turned over to the state. Claimants who can prove ownership thereafter may still claim and obtain it from the state.

It is understood by this writer that counsel for some transfer agents in Massachusetts have interpreted the Act to have no application to unclaimed dividends in the hands of the transfer agent. There has been no court decision on the question since the passage of the Act. Section 5 specifically names dividends as property subject to the escheat provisions. It is conceivable that as the statute is drawn it may need interpretation. It would seem clear that any corporation not dealing through a transfer agent would have to comply with the statute.

CARL B. EVERBERG

[Attorney at law, assistant professor of business law at Boston University college of business administration, and chairman of associate editors of the *Commercial Law Journal*.]

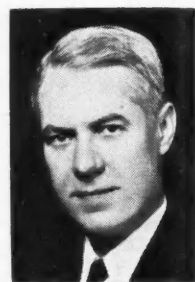
Among the many procedures used by companies to trace the owners of stockholders' unclaimed dividend checks are these:

Enlist aid of banks where previous checks were deposited, to obtain owners' new addresses; have company branch personnel search telephone and city directories; use tracing services of credit bureaus; ask stock transfer agents for leads; have company representatives visit last known address; group cases in "missing persons" list for concentrated checkup.

One in 1,100 A.T.T. Checks Returns; Then Search Is On

OF THE 1,100,000 dividend checks mailed each quarter by the American Telephone and Telegraph Company, approximately 1,000 (about one check for each 1,100 mailed) are returned undelivered by the post office.

The company makes every reasonable effort to locate, as promptly as possible, the stockholders whose checks have been returned. If a new address is received by the company subsequent to the



H. W. ROSCOE

dividend mailing date, the undelivered check promptly is remailed.

Approximately one month after the payment date the current dividend checks then remaining undelivered are verified with the stockholder accounts to determine if the account is new or closed out since the record date of the previous quarterly dividend. If the account is new or closed, a letter is written or a telephone call made to the broker, bank or other organization through which the stockholder procured or sold his stock, in an effort to obtain his current address. We use the telephone freely for this purpose, throughout continental United States.

Checks for all other accounts, where changes of address have not been received, are sorted by addresses into geographical areas. The services of the associated companies in the Bell System are enlisted in appropriate cases in an effort to locate stockholders whose addresses of record are in their territories. The local telephone company manager often arranges to have a telephone company representative visit the last known address of the stockholder.

If the associated company is unable to locate the stockholder, a previously paid dividend check is examined in the office of the American company in New York and a letter is written to the bank where the check was deposited, with a view to obtaining a better address.

Approximately 75 per cent of the checks returned by the post office are remailed fairly promptly to the stockholders as a result of the foregoing investigations. Most of the remaining items are remailed as a result of communications to the company initiated by the stockholders themselves.

HARVEY W. ROSCOE

[Assistant treasurer, American Telephone and Telegraph Company, New York, N. Y.]

Ingenuity Aids Parker Pen's "Tracer of Lost Persons" If Regular Methods Fail

SOME stockholders, instead of clamoring for quarterly stock dividends, are not only company enigmas at check mailing time but somehow manage to miss discovery for many years thereafter. To those who might have the idea that all stockholders spend many eager moments awaiting the arrival of their next dividend check, there is the experience of the Parker Pen Company's own "tracer of lost persons": that some dividend owners are still unfound despite 17 years of regular payment of dividends by the company.



HELEN A. MORRISSEY

Fifty-eight checks are still begging after 18 months of persistent effort to track down the owners of 154 unclaimed dividends, involving voluminous correspondence with banks, brokers and relatives.

The search nevertheless will continue, says Miss Helen A. Morrissey, assistant secretary of the Parker Pen Company, Janesville, Wis., though she confesses that only the slimmest clues remain. Some checks, yellow with age, and ranging from 15 cents to hundreds of dollars, date back years. In some instances, the quest for owners went from the grave to the executor.

Ingenuity solves some cases; in a few, luck plays a part. For example, a Milwaukee woman was found only after it had been discovered that her given name and middle initial coincided with those of a newer name on the stockholder list. She had married and changed address but had failed to inform the company.

Telephone directories play an important part in tracing check owners. A laborious search through the Chicago telephone directory brought forth a clue that finally settled a particularly troublesome case for the "amateur detectives" of the company.

Those directly interested at the company's headquarters are still talking about one case that baffled them for seven months. They finally located the man. Where? In the company's own Canadian branch plant. He had changed address without leaving any clues.

Four Methods Proven Most Successful At Glidden Include Services of Salesmen

WE MAKE a most earnest endeavor to run down our missing stockholders in order that we can keep the number of checks in our unclaimed dividend account at the absolute minimum at all times. A measure of the vigor of our program is this: we have been disbursing our own dividend checks since 1933 and we have at the present time in our unclaimed dividend account approximately 25 stockholders. These 25 stockholders we have not been able to trace despite every effort.

The actual supervision is by our cashier. He works these matters into his regular work.

Among the many methods we use to trace our stockholders, we might mention the following chief procedures:

- (1) We refer back to previous checks to the same party for indorsements, particularly bank indorsements. We have had considerable success in writing to these banks where the check was deposited and obtaining the address.

- (2) The Glidden Company operates on a national basis, with plants, offices, paint stores, warehouses, etc.,

From a Bell Telephone Magazine article on "Human-Interest Aspects of Stockholder Correspondence":

"One of the unique developments in our correspondence has to do with the tracing of 'missing stockholders.' When any dividend checks are returned to the company by the post office as undeliverable, the reason is investigated promptly. Despite a very thorough effort to obtain a better address and make delivery, there are always a few stockholders who cannot be traced through the usual channels; and over a period of time these become assigned to a group of accounts which now number some five or six hundred names. These cases comprise a 'missing persons' list, and we become almost a detective agency in tracing these lost people.

"The results have been not only gratifying but astonishing. One stockholder, for example, recently was located in a western city shortly after a brother in Maine had told us that 'he said goodbye to his mother in 1891 and we haven't heard from him since.'

"Since this work started, in the latter part of 1948, a total of 400 cases has been cleared up and checks having a value of more than \$34,000 have been delivered to the rightful owners. The oldest case dates back to January, 1925."

in almost all states of the Union. We write to our various branches and ask them to search telephone and city directories. We occasionally have our salesmen help.

- (3) We have had considerable success in using the tracing service of various credit bureaus. For this service they bill us a standard fee.

- (4) We occasionally write our stock transfer agents for leads.

W. W. CONANT

[Assistant secretary, The Glidden Company, Cleveland]

Campaign Waged at Sears Finds Owners Of Half of Unpaid Checks in Two Years

WE have approximately 850 unclaimed dividend checks issued to 267 stockholders.

About two years ago we organized a campaign to place unclaimed checks in the hands of our stockholders. In the campaign, which proved very successful, we used the following methods:

- (1) Letters were sent to the last known address. In numerous cases these were delivered at such address or were forwarded.

- (2) Letters were mailed to the owner of the building at the last known address, requesting the new address of the stockholder if known.

- (3) Letters were addressed to our local store owners, requesting their cooperation.

- (4) References to local telephone directories solved a number of cases.

- (5) Letters, sent to banks which had cashed the last dividend check paid, produced results in many instances through the assistance of bank personnel.

By means of this campaign, we delivered approximately one-half of the unpaid checks outstanding at that time. We have continued this method of tracing owners, with satisfactory results.

E. F. LEMKE

[Assistant Treasurer, Sears, Roebuck & Co., Chicago]

Trimming Sails to Expand Sales

PREVENTIVE AND INTERNAL CONTROL

Role of One-Way Bank Account

MANAGEMENT that has not worked out a complete system of preventive and internal control of operations, especially in these days when high operational costs and higher taxes point a stern finger to the necessity of trimming surplus canvas off the sails of business, can chart a truer course from the log of experience of Blue Plate Foods, Inc.



How this company, processor of food products and maintaining manufacturing facilities in New Orleans, Atlanta and Richmond, solved its problems is outlined by J. J. Culver, treasurer and assistant secretary.

Blue Plate, which distributes through two channels, wholesale grocers and retailers direct, covers the Southeast from Washington to Louisville and over to San Antonio.

"Under preventive control," Mr. Culver said, "we insist that all prospective employees pass a medical examination by a company-designated physician and also be covered by the company bonding department before being employed. We prevent or considerably curb unwarranted workman compensation claims by prior medical examination. Salesmen who are entrusted with thousands of dollars of company property must be covered by our bonding company to assure us protection against embezzlement and the like."

The company uses the customary records to determine standard costs of manufacturing and makes regular comparisons with historical costs. In addition, the speaker said, "we have found the standard man-hour control program for operations in our manufacturing department more satisfactory and understandable for our foremen and all supervisory personnel handling skilled and semi-skilled employees. We find man-hour control of products manufactured more readily comparable for interplant comparison than would be schedules based on dollars and cents. Our man-hour schedule for standards of production is determined on the time study program developed by our engineers' department.

Man-Hours Are Summarized Weekly

"Weekly man-hour summaries are compiled from weekly payrolls to determine efficiency of operations in the respective departments, and an explanation of any deviation is immediately required by the production manager. We also prepare monthly historical man-hour operations for comparison to the standard man-hour operations. We periodically compare our employees on a weekly payroll to the man-hour standards of control for added internal check of payrolls."

Mr. Culver noted that preventive control had proved effective in combination with internal control of raw materials and packages.

"We use all of the accepted internal control procedures for following the flow through operations," he

J. J. Culver somehow finds time from his duties as treasurer and assistant secretary of Blue Plate Foods, Inc., to be very active in credit association work, as attested by the fact he is the immediate past president of the New Orleans Credit Men's Association.

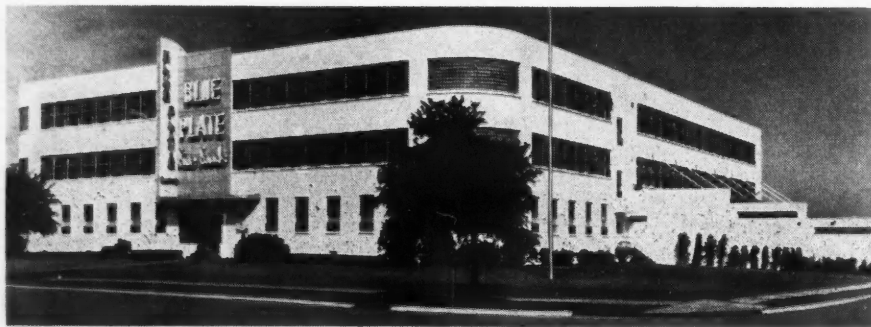
Mr. Culver presented the ideas recounted herewith in an address before the Institute of Internal Auditors and later at a luncheon of the credit association.

said. "We do not have any work in process; all of our processing is done as a complete operation. In fact, in our business the quicker we are able to bottle and package our merchandise the more satisfactory product we attain. As we work by uniform formulas it is comparatively simple to accumulate the formulas prepared and enable us to prepare monthly schedules of raw materials used, based on the numbers of the respective formulas of products prepared in that month. Perpetual inventory is compared to our monthly inventory of actual count.

Salt Halts Evaporation of Wines

"In respect to preventive control we endeavor where possible to blend those of our raw materials which may be readily subject to formulation. For example, we use in several of our formulas different types of wines. For some time we had an unaccountable disappearance or evaporation of these wines. We solved this by adding to the wines when being packed for us a percentage of salt which we would have used in the required formula. This immediately eliminated the disappearance or evaporation.

"We have followed a similar program in many of our other raw ma-



MODEL PLANT OF BLUE PLATE FOODS, INC.

terials, such as egg formulas, pickles, relish, and onions. We have added salt, sugar, pepper, or vinegar into the raw material as it was being prepared so that the taste of the product would be considerably altered and thereby reduce the likelihood of use of the product out of daily operations."

Promotion and advertising assets complement internal control in the use of a device to keep the name Blue Plate ever before the public and to prevent use of the company's packaging by competitors or others. The company insignia (see illustration) appears on all caps, cases, jars and other containers.

Nor are details overlooked in other areas. For example: carbon paper is either destroyed or carefully segregated after its use on confidential matters.

"We had two unusual experiences," the executive recalled, "when new carbon paper was used on important financial reports. In an attempt at being conservative, these carbon sheets were returned to carbon folders. Through error they were mailed out to other points for use, or permitted to get into other department hands. The figures were clearly legible or very easily deciphered when this carbon paper was placed before a mirror."

Simple Report Saves Selling Time

Distribution of Blue Plate Foods products is through 350 wholesalers and by 300 salesmen with company-owned trucks, serving 47,500 customers. The 75 manufactured and distributed products are transferred from manufacturing plants to warehouses and salesmen who sell direct to retail stores.

With 85 per cent of sales on a cash basis and the remainder on weekly credit terms, the control problem was a minimum of record keeping for the salesmen.

"In the early stages of our truck distribution our controls were on a jar and package basis. It was therefore necessary that the salesmen have a very large daily perpetual sheet enabling him to show his starting balance by jar or package plus receipts, minus the sales which he tabulated in numerical order from sales tickets. This report was prepared daily. In making a time study of this operation we found that a salesman was spending at least two hours a day on report work, instead of selling and distributing our products.

"We developed a much simpler report which handles the salesmen's activities on a weekly report and re-



quires him daily to prepare only his total sales and make necessary bank deposits. This report is on the basis of dollar amounts. In other words, when we ship him several thousand dollars worth of assorted merchandise, his account is charged for the resale value of the products shipped him, he acknowledges receipt and in turn adds it to his weekly report.

"He takes credit when preparing his report for all moneys deposited to our account and all sales made to authorized chain stores, samples, demonstrations, etc. All sales are credited at resale value, and the balance should agree with his actual count of merchandise on hand at resale value, plus the credit accounts he is carrying.

"This we have found most satisfactory. It has eliminated the cumbersome daily work of making individual reports of sales and requires approximately two hours only on the weekend for preparing. We have found it necessary for the salesmen to prepare and verify their own re-

ports, to be satisfied that their route is functioning correctly."

"One-way bank accounts" provided a solution to the safeguarding of the moneys received by the salesmen from retailers. These accounts—110 of them—have been opened in the various locations where the company maintains warehouses and salesmen points, and salesmen make daily deposits of funds they collect. In many of the locations we maintain a night depository so the salesmen may deposit the funds in the safekeeping of the bank instead of taking them into his home and so jeopardizing his family and himself.

"The funds in the one way bank accounts are transferred at regular intervals to our operating account. To give us further internal control we have developed a deposit transfer check which does not require the signature of any employer or officer and has only to be completed by date, amount, name and location and code number of the bank from which these funds are being transferred.

Locks Changed When Salesmen Move

"As part of our preventive control, we require at all times, when a change of salesmen or warehousemen occurs, that all locks and keys protecting our warehouse stock and truck stock be changed. We are able to rotate these locks around the territory."

Finally, Mr. Culver said, "We endeavor to have all salesmen's stocks and accounts verified by a company supervisor or traveling auditor at least every 90 or 120 days. At irregular intervals we circularize the outstanding accounts on each salesman's route."

DECALOG OF PREVENTIVE CONTROL

Preventive control and internal control are exercised in combination in the operations of Blue Plate Foods, Inc., of New Orleans, processors of food products. Here are ten areas of application:

- (1) Medical examinations and bonding of employees.
- (2) Records to determine standard costs of manufacture compared regularly with historical costs.
- (3) Man-hour control of manufactured products.
- (4) Internal control procedures for following flow of raw materials and packages.
- (5) Blending of raw materials readily subject to formulation.
- (6) Company insignia (see cut) for all packaging to ad-

vertise the product and prevent use of the containers by others.

(7) Carbon paper used on confidential or financial reports destroyed.

(8) Simple report form requiring salesmen daily show total sales and necessary bank deposits.

(9) "One-way bank accounts."

(10) Keys changed when salesmen and warehousemen move.

MY MOST PERPLEXING CREDIT PROBLEM

A Series on Management at Work

MOST CREDIT MEN probably feel they have credit problems just a little different than the others. I believe that in most cases they are right. Not only does the type of business—retail, jobber or manufacturer—make a difference, but the commodity handled and even the location of the business, as well as many other factors, all add together to create problems for each credit man. Their solutions no doubt establish the basis of his policies.

The company with which I am associated, Graver Tank & Manufacturing Company, East Chicago, Ind., manufactures tanks; from small tanks of 550-gallon capacity to the largest, 168' diameter by 40' high. Those tanks small enough to be transported by truck or rail are fabricated complete in the shop. The larger ones, however, after fabrication in the shop are shipped knocked-down and re-erected in the field.

Some of the smaller tanks are sold to jobbers. Most of our business, however, is direct with the ultimate users, for the most part major companies,

and these transactions seldom create credit problems. The orders from the smaller companies, however, require careful study.

On shop-built tanks our standard credit terms are net cash 30 days after date of shipment. On field-erected tanks our interest terms are 60 per cent on shipment of the material, 30 per cent on completion of the tanks, and 10 per cent on test and acceptance.

Most tanks sold direct to the ultimate user are handled on title-retaining contracts. Transportation and field costs are heavy, however, and must be considered should we find it necessary to repossess a tank. As it is our desire that every tank remain sold and that we shall not have to repossess it, the all-important consideration of the credit department is the customer's ability to pay.

PROBLEM OF THE FILLED TANK

In studying the financial status of the customer, we must bear in mind the fact that he no doubt will promptly have the tank filled with product. Here is where our problem comes in. Unless the tank is to contain water, the product quite likely will cost more than the tank, and in some cases several times more. We nearly always know, of course, what the tank is to contain, but if it is filled immediately, our customer quite likely will pay for the product first, and then, if he has enough money left, will pay for the tank. Otherwise, we shall have to wait until he sells some of the product and collects sufficient money to pay us.

We had such an experience only a short time ago.

For some time I had been watching this account, on which I had gone the limit, possibly a little beyond, on credit.

The tank supplied was large and shop-built. Our terms, therefore, were

BORN in Ottawa, Kansas and reared on a Kansas farm and a prairie homestead in eastern Colorado, F. J. Brewer financed his high school education and civil engineering studies at Colorado College by working on the Cog Road on Pike's Peak. Later he studied accounting at Northwestern University.

After 20 years in the credit and accounting department of Richards-Wilcox Mfg. Co. of Aurora, Ill., he left in 1946 to accept the position of assistant credit manager with the Graver Tank & Mfg. Co., Inc. of East Chicago, Indiana. In February, 1950, he was elected assistant secretary-treasurer. His duties additionally include credit and collections.

(for the purposes of this review) net cash 30 days after date of shipment.

SHOP AHEAD OF SCHEDULE

When the order had been received I reviewed our financial information on the customer, decided that we could not allow credit terms and said that we would have to have cash before shipment. The customer had agreed to this and a definite shipping date had been given.

However, our shop found itself ahead of schedule and completed the tank before the given date. The customer, not expecting the tank so early, was not prepared to pay for it. Because it was large and storage space was limited, the shop was anxious to dispose of it.

GRANTS OPEN ACCOUNT TERMS

After further study I decided to release the tank on open account and allow our customer standard terms. While granting open account terms I was fully aware that I had allowed myself no margin. Subsequent events proved my deduction correct, but there was a perplexing interval.

(Concluded on page 21)



F. J. BREWER
Assistant Secretary-Treasurer
Graver Tank & Mfg. Co., Inc.
East Chicago, Indiana

TRENDS — —

IN BUSINESS AND FINANCE

Sentence Comment on Trends As Top Executives See Them

"PRICE CONTROLS discourage production, thus injuring the very persons they are supposed to benefit," and encourage black markets.—Wesley Hardenbergh, president, American Meat Institute.

"IT WOULD SEEM to me possible to reduce military expenditures by several billions annually" and thereby "increase ability to mount an all-out effort if necessary."—Marion B. Folsom, chairman, Board of Trustees, Committee for Economic Development.

"ONE STATED OBJECTIVE of the Defense Production Act was to preserve collective bargaining. Establishment or non-establishment of a union shop . . . should not be ordered arbitrarily by a W.S.B. directive."—Gordon M. Jones, president, Illinois State Chamber of Commerce.

THE PETROLEUM industry will be able to exploit the sources of raw material as needed, if bureaucracy will keep its "dead hand" off development.—Dr. Robert E. Wilson, chairman, Standard Oil Company of Indiana.

ALUMINUM SHORTAGE will end this summer and "if firms searching for new uses are not given sufficient aluminum by the Government to test their ideas now, we can expect

a pretty stiff business slump in the very near future."—W. B. Griffin, publisher, *Modern Metals*.

"WE CAN PLAN the location of military-end item plants with the idea of their eventual use, at least in part, as civilian plants."—Charles E. Wilson, defense mobilizer.

"ONE OF THE MANY inequities of inflation is its effect in destroying the real value of people's investments . . . To restore savings bonds to their former prestige two courses are necessary: improve rates offered and restrain Government spending and taxing."—National City Bank of New York.

"IT IS IN OUR interest to do those helpful things that will make it possible for others to help themselves" but "I don't think we ought to put much money into it."—Philip D. Reed, chairman, General Electric Company.

Rubber Consumption Increase

AN INCREASE of more than 100,000 long tons in the consumption of new rubber (to a record 1,336,000) is predicted for this year by the Rubber Manufacturers Association, with the use of synthetic rubber going up 96,000 long tons to 871,000 total, natural rubber only 5,000 tons more than the 460,000 of 1951. The lightening of Government reins on tire production will help build up needed inventories, said the association.

They're Licking Their Tax Sores

Black Monday (some say March 17th put them in the red) has passed but the protests over high taxes continue to mount.

"There is little inducement left to encourage management to expand plant and increase production" when taxes take all but 18 per cent of income from new or increased production facilities, said President Harry B. Higgins of the Pittsburgh Plate Glass Company.

Commented the Council of State Chambers of the United States: "If the Government intends to extract substantial new revenues it must look to sources other than upper income groups."

When the military program slows down there will be a dollar tax reduction for every dollar reduction in federal expenditures, predicted Dr. Arthur Upgren, economist, University of Minnesota. At that time, he

Can't Call This Peanuts Though It Began That Way

Did the British government give up too soon on its costly African peanut production venture as too tough a project?

Comes a peanut fiber coat for women this spring, at one-third the price of wool, as good-looking and longer wearing. At least that's the pronouncement of several English manufacturers who are making the coats from "ardil", fiber developed from peanut meal by the Imperial Chemical Industries, Ltd. Shucks!

told the Mortgage Bankers Association of America, the housing market will increase to 1½ million units a year, "but it will require a considerable lapse of time for the politicians and public housing enthusiasts to discover these facts and their significance," that public housing will not be needed.

Dr. Upgren, foreseeing less inflationary pressure than in 1951, nevertheless favored general or indirect controls and proposed fractionally higher interest rates to limit credit.

Controls—and Mister Flanagan

SEE ANY SIMILARITY between the decontrol signs and the story of Flanagan's credit rating at Ye Owld Tavern? Remember the dialogue between bartender Clancy and boss Casey? "Is Flanagan good for a drink?"—"Has he had it?"—"He has."—"He is."

Now try to add up these news bits:

Credit controls, plus higher building costs, have cut construction of new homes, especially for lower income buyers, says the housing and home financing agency. But—

Heavier indirect controls are necessary, especially over credit, because pressures for renewed inflation are "here right now," according to Roger L. Putnam, economic stabilizer.

The Canadian government has eased restrictions on instalment buying.

Ernest A. Rowlett

With Lucky Girls It's 35 to 1, So School's Out

They're just too eager. That seems to sum up the reasons for the closing of Miss Brown's School of Business, Milwaukee, Wis., one year short of a half-century of operation. "Young girls are going right from high school into industry," explained Miss Florence Breen, president.

Calling the economic situation "not conducive to private schools," Miss Breen said young folks' misjudgment of the value of training is evidenced by businessmen's preference for trained girls for top level jobs—"35 calls for every girl we've trained lately."

Should one add that the school was not coeducational?

A New Nut for Top Management to Crack:

Market Research for Cost Reduction

MANAGEMENT has a new job cut out for it, and only as it makes "particularly full and wide use of commercial research" will it measure up to the task, says David F. Austin, executive vice president of the United States Steel Company, winner of the Parlin Award for outstanding contribution to marketing progress. (Treasury and credit executives have a direct interest in both problem and solution.)

Now that the buying market "honeymooners" must get down to housekeeping, "distribution is the one uncharted field wherein American business management can increase efficiency, thereby cutting costs and insuring survival," Mr. Austin told the American Marketing Association in his Parlin Memorial Lecture, sponsored by the Philadelphia chapter. "Industry can cut production costs only within a narrowing range. It cannot precipitately lower wages. It cannot judiciously raise prices beyond the point of diminishing return."

Market research, "if allowed to work with top-management," will dig up the information management must have, in analyses of markets, general business conditions, consumer preferences, product testing, of statistics valuable for public relations.

Management "must measure market potentials, set sales quotas, select distribution channels, and plan advertising campaigns designed to reach and help penetrate markets,"



For nearly eleven years demand for almost everything has almost continuously exceeded supply . . . If we are to mass-produce customers on the scale which will be required in the post-emergency years, we will need a trained, coordinated, properly supervised selling force.

We need to plan what we wish to sell, how much we wish to sell, to whom we propose to sell, and how much we are willing to pay to sell. We will need to plan sales by product, grade, size, area and customer. Such plans do not exist today in any degree remotely approximating our probable need.

—Vice President David F. Austin

Mr. Austin declared. "It must know where sales time is being wasted and how selling operations may be conducted more efficiently." Hence the title of his Parlin lecture: "The Rediscovery of the Free Market."

"A competent marketing research setup, working with management in a relationship of mutual confidence and respect, can help the executive in all these directions. It can help management to predict, decide and act, and to do all three soundly and accurately.

"A smooth-running, stepped-up distribution machine, lifted to the technical excellence of our productive machine, can meet and overcome both the long-range economic problems": know how to use expanded production capacity "when this so-called 'limited emergency of unlimited duration' is over" and "the serious situation created by higher and more rigid production costs."

Free Operation Declared Essential

However, one thing more is needed, the steel executive warned: "Our free enterprise system requires that it be permitted to operate as it is meant to operate. This means a system of free prices and wages functioning within the moral and political framework of liberty under the law. It calls for full freedom in choice of work, freedom of selection by consumers, freedom in exchange of the means of production." (Mr. Austin observed that our democratic capitalism has shown tremendous vitality and has expanded far beyond expectations of its friends while its "enemies watch in bewilderment and await the collapse they confidently expected long ago.")

A new concept of top management

men is a prerequisite of improved distribution through research, he said.

"There is irony in the fact that the aggressiveness and capacity for action which carry men to the top are the very qualities most likely to limit them at the top," because "they find it most difficult to realize that the time has come to stop doing and to emphasize thinking."

"The key executive today must rely on more than his personality, experience or opinion. How many top executives pace themselves carefully and allot their time to the importance of their work? How many are so absorbed with details that they have no time to think—always busy, always doing, and taking no time to plan?"

Must Decide Marketing Is Science

"Management must accept the principle that marketing is a science. (Accounting, advertising, metallurgy, engineering, chemistry, production—all these were once, along with selling, among the mysteries of the business world.)

"Selling is the last segment of business activity surrounding which an aura of mystery seems to prevail. This results from thinking carried down from the era of the great personal salesmen. Selling then was as scientific as an expense account. The rule governing price was simply to get rid of the product at the highest price, even though such a price might decelerate use of the product and aid a competitive industry."

Mr. Austin named five components of the "world industrial revolution" which "in less than 200 years established that every person actually can have the basic comforts of living":

(1) Power-driven machinery; (2) job-specialization; (3) standardization of parts and practices; (4) free use of these production techniques by individual enterprises, and (5) a free market.

"All five have been brought to their highest stage of perfection under free enterprise," he noted.

And the result?

"Since 1900 the quantity of goods consumed per person in this country has risen two and one-half times. Fewer people live below the poverty line. We have reduced the average work week from 58 to 40 hours, fought two wars, and helped much of the rest of the world to defend and rebuild itself."

Then a paradox!

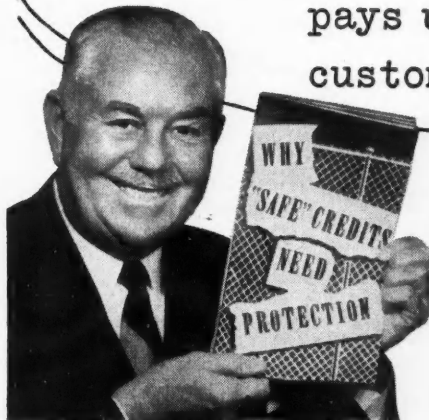
"The events of the past six or seven years have produced a counter-revolution in popular economic thought, and faith in the system of centralized planning has been weakened to the point where it can never recover."

"In the market place of ideas, it is now the radical who has lost his faith and the system-grinder who has been discredited; and it is the true liberal and the conservative, both of them believers in the dynamic future of a capitalist economy in a political democracy, who have regained the initiative. Our people have learned."

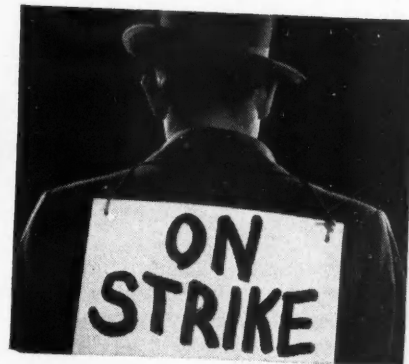
David F. Austin, executive vice president, commercial department, of the United States Steel Company, began his career with the company in the New York offices in 1918 in the real estate department. Transferred nine years later to the sales department of Carnegie Steel, he served in four sales territories, then was named assistant district sales manager for Cincinnati, and rose to district sales manager successively at Cincinnati, Pittsburgh and Chicago.

On Jan. 1, 1938, he was elected vice president in charge of sales for Carnegie-Illinois, and on Oct. 1, 1945, sales vice president of United States Steel Corporation of Delaware. When Carnegie-Illinois and United States Steel of Delaware were merged with several other U.S. Steel subsidiaries on Jan. 1, 1951, to form the United States Steel Company, Mr. Austin was advanced to his present post.

"This book helped us plan sound credit policy--explained how AMERICAN CREDIT INSURANCE pays us when our customers can't!"



"We're thankful we completed our program of protection with AMERICAN CREDIT INSURANCE."



Not long ago, one of our biggest customers, with a high credit rating, got into financial difficulties due to a long strike...



He couldn't pay his account with us. We'd have been in a tight squeeze moneywise except for our A.C.I. policy.



What about your company? Are your receivables safe from loss?"

Send for your copy today!



AMERICAN CREDIT INSURANCE protects one of your most important assets—accounts receivable. That's particularly important now when so many companies face a tightening working capital situation as a result of inflation, high volume, high taxes. An AMERICAN CREDIT policy also improves your credit standing with banks and suppliers. For a copy of our book "Why Safe Credits Need Protection" phone the American Credit office in your city or write AMERICAN CREDIT INDEMNITY COMPANY OF NEW YORK, Dept. 47, First National Bank Bldg., Baltimore 2, Md. Offices in principal cities of the United States and Canada.

American Credit Insurance

GUARANTEES PAYMENT OF ACCOUNTS RECEIVABLE

Case Histories Prove How Managerial Guidance to Dealer Aids Supplier Too

CASE HISTORIES, submitted to CREDIT AND FINANCIAL MANAGEMENT, bear out the wisdom of financial guidance by suppliers to accounts, and attest the increased sales volume registered when the treasury and credit departments go out of their way to provide commercial service to their dealers, a subject analyzed in the February issue.

Assistance ranging from help with merchandising and advertising campaigns to suggestions for budget and administrative changes are received favorably by accounts of the Paxton and Gallagher Company of Omaha, Nebr., writes W. Don Eck, general credit manager.

Bert H. Davis, treasurer of Charles Millar & Son Company, Utica, N.Y., implements his extended discussion of the subject of commercial service with a series of actual cases from the files. Incidentally, both executives say their recommendations have brought added business to insurance companies.

Help in Merchandising and Advertising

Mr. Eck summarizes the experiences in his company's wholesale operations in the hardware and liquor fields as follows:

"In our wholesale liquor and wholesale hardware operations we extend as much help as possible to the customers. This help primarily takes the form of making recommendations with respect to conduct of their business, assisting them in merchandising and advertising campaigns, and in a credit way reviewing their financial statements and giving an appraisal of their performance in relation to others in their area with respect to size and other corresponding local conditions. When this service is offered, a very thorough breakdown is made of the operations, and a check list of percentages with respect to operating cost is prepared and verified with favorable operations of other retailers in a similar kind of business.

"Comparisons are also made with respect to their relative position and balance sheet items of assets, liabilities, etc.

"From time to time we do endeavor to point out important matters of operation. About two years ago we

Commercial service is not the least of the functions of the credit department with vision that widens its horizon to encompass all its potentials for building company business. Several of these potentials are brought out herewith by W. Don Eck, general credit manager of the Paxton and Gallagher Company, Omaha, Nebr., and Bert H. Davis, treasurer of Charles Millar & Son Company, Utica, N.Y.

sent out a small card in all mailings advising the account that while we were not in the insurance business, we felt that all in business should review coverage of their personal and physical assets and be assured that they had adequate insurance coverage. The recommendation was favorably received, and even the insurance brokers were grateful to us.

"Needless to say, from time to time we also counsel with respect to handling of delinquent accounts, and make recommendations for methods of operation, suggest budgets and administrative changes which would work for the betterment of our accounts."

How a credit representative of the Millar company unearthed the manipulations of an account's manager is one of the cases Mr. Davis recites. He writes:



"The owner of a contracting company which had a much increased ratio of labor costs to sales showed one of our credit personnel the salary and wage payments over a considerable period. Some years before he had engaged a manager, whose duties included keeping the books. The written contract specified that because of his responsibilities he was to draw a commission on the earnings above a specified minimum amount. There came a year when the trusted employee tried out the device of paying himself a commission based on the entire earnings. Since he got away with this once, he continued this practice for several years.

"Our representative examined the contract, and the owner promptly

made his own decision that his manager had betrayed his trust and should be released.

"Beginning with that year, the labor percentage reverted to substantially the figure we believed it should be if the business were to continue prosperous."

The Millar credit department, in aiding less experienced proprietors with tax problems, often approaches the subject through the payroll taxes for which the business is liable. By a study of the payroll records and the information they contain, the management is helped to include not only the statistics needed for effective control but also the records which a tax auditor or, currently, a wage stabilization inspector may demand.

Review Accounts' Insurance Policies

"When we talk with the business head about insurance," Mr. Davis said, "we may ask a leading question or two about the types of policies he has and what form of follow-up he uses to assure himself that his protection remains in force and is properly renewed. In many instances, this results in an invitation to us to review the policies themselves—and sometimes with surprising results.

"We have found moderately well-managed businesses which possess no running record of policies in force, no definite plan for filing policies in one safe place, and no arrangement for reviewing the fire insurance coverage, for example, to take into account changes in values of buildings, equipment and merchandise on hand. Almost any conversation we have had in recent years on the subject of our customers' insurance has resulted in some added business for the insurance companies!

"I've thought about looking over my coverage," one manufacturer said recently, "but it was one of those

things you keep putting off from week to week and from month to month."

Mr. Davis noted that some of these "huddles" with businessmen bring more business to attorneys and banks also.

"Here is a phase of financing with which the credit departments in our four establishments have dealt in several similar cases," Millar's treasurer said. "A father and son formed a partnership to conduct a retail store and related services. When the father died, it was the understanding in the family that the son would be assisted in buying control. He came to us with the statement that he couldn't finance this without heavy personal debt, unless perhaps he admitted a partner who could provide additional funds.

Solving the Problem of the Real Estate

"When we broke down the figures, it became apparent that he could take over the current assets and liabilities and certain items of equipment without too much strain.

"The real estate in which the business operated was the 'sticker.' The way out appeared quite obvious to us, though it evidently has represented a new idea to the men involved in some of these cases. If the real estate is left in the estate, or becomes the joint property of the heirs, the business as a working unit can be suitably financed by the successor. In some cases, an arrangement may be made by which the proprietor pays as rent somewhat more than the normal rent on the property and in a term of years has the real estate back as a business asset.

Shown How to Utilize Bank Credit

"Of course the young man or other successor will need to consult the interested parties, also an attorney and possibly his bank, in order to work out a basis which protects all parties and maintains the credit standing of the new owner."

Mr. Davis said the company's credit men seldom talk long with a customer about his finances without at least outlining how other successful operators utilize bank credit. The contractor is reminded that if his bank is consulted about the large contract he plans to execute, financing often can be arranged against definitely scheduled payments under the contract which will provide him with ready cash for discounting his bills.

(Concluded on page 23)



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Analysis vs Distribution Waste

Ingenuity of Accounting and Marketing Executives Is Key

CREDIT and general management have a large stake in the elimination of waste in distribution, and distribution cost *can* be analyzed to provide a sound foundation for both the direction of distribution effort and control of its cost.

Joint effort and the ingenuity of marketing and accounting executives are the dual keys to elimination of the waste effort and unnecessary cost in distribution which companies making serious efforts at analysis and control have found to exist in "very substantial amounts," in the opinion of J. Brooks Heckert, professor of accounting, Ohio State University at Columbus.



J. B. HECKERT Credit is one of the distribution costs, and the cost of credit supervision, measured on the basis of the number of customers, is one of the semi-direct charges, Professor Heckert told the Chicago Chapter of the National Association of Cost Accountants.

Distribution costs, "including selling, advertising, warehousing, transportation, credit, and the distribution portion of financing and administration," amount to \$1 million to \$5 millions if sales are \$10 millions, and so "offer a fertile field for savings." While "from a social viewpoint we are told that approximately \$0.59 of each consumer dollar goes for distribution as against \$0.41 for production" and "few concerns have a distribution cost of 59 per cent," an individual concern is "usually only one link in the commercial chain reaching from producer to consumer."

DISTRIBUTION ANALYSIS NEED

"Production costs are the primary basis of inventory valuation," the credit men were told, after a three-way purpose of analysis was given as follows: (1) determination of inventory values and periodic profit; (2) managerial assistance in establishing production and sales policies and in planning operations, and (3) control of costs (reducing costs which are higher than justified). "The determination of what a specific production operation should entail in terms of labor, material, and facilities, and a minute analysis of the actual results, provide a basis for production cost control." However, "generally speaking, distribution costs are not included in inventory values, hence their determination for this purpose is unnecessary. It is this distinction between production and distribution which undoubtedly accounts for our delay in directing adequate consideration to distribution costs."

"The need of cost information for

costs," and "the control of distribution costs demands the same type of minute analysis of the cost of performing individual functional operations."

The educator listed these three useful methods of analyzing distribution costs: (1) by the nature of cost items or objects of expenditure; (2) by the functions or functional operations performed; and (3) by the manner in which the distribution effort is applied. He added that in most companies the application of all methods is needed to give a complete picture.

FIRST METHOD OF ANALYSIS

The first method entails a separate recording of salaries, advertising, supplies, taxes, traveling expenses, etc., usually made a part of the ledger accounts themselves. This analysis provides some general information for cost control. For example, ratio of traveling expense to sales volume "may reveal that the cost per mile of operating salesmen's automobiles is excessive or that many calls are being made on customers whose business, actual or potential, cannot possibly justify the traveling expenses involved."

The percentage of advertising cost to sales can be determined, but this method does not educe the needed adjustments if the percentage is excessive, nor does it present solutions to problems of efficiency of particular distribution operations, what territories to cover, what com-

policy, planning, and control purposes is just as great with distribution as with production costs—often greater," Professor Heckert said. "What commodities should be sold? What territories should be served? What classes of trade should be cultivated? What distribution channels and agencies should be employed? What sized orders should be accepted? What promotional methods should be used? What prices should be set? What inventories should be carried?"

"These and innumerable other such questions can be answered intelligently in most concerns only with the aid of intensive and continuous analysis of distribution

Indictment of Management

"Management and accountants have done a much poorer job of directing distribution effort and controlling its costs than has been done with production. The result is that there have been and still are extensive wastes—WASTES in the time of salesmen calling on customers who can never be profitable, WASTES of transportation and selling effort in territories where the company has no business to be, WASTES in handling small orders far beyond the limits of necessary convenience, WASTES in carrying lines that are both unprofitable and unnecessary, WASTES in the maladjustment of sales effort to market potentialities, WASTES in the choice of channels of distribution, WASTES in advertising, and WASTES in all the routine and mechanical tasks of warehousing, transportation, order handling, etc."

modities to sell, what sales methods to employ. All this type of analysis does is permit ascertainment of the cost of distribution function as a whole, Professor Heckert noted.

"Too many executives know merely how much it costs to carry on business as a whole," and they "cannot base intelligent action on generalities." Thus, he explained, "a sales manager may be told his selling costs are too high, but such a statement is of no great help in reducing them."

For the second type, first resolving the distribution activity into specific functional operations, the speaker illustrated with a few operations in a large wholesale company: typing mail orders of ten lines or more, registering country orders, order picking, packing, weighing and stamping parcel post, opening and checking cases of assorted merchandise, computing freight equalization, and the salesmen's call. A standard cost for each operation then is established, after which actual costs are determined and adverse variances corrected.

The analysis problems are basically identical with those met in the production cost field: separation of costs into fixed and variable elements, and determination of the proper cost at different volume levels.

This kind of analysis "not only serves as a control device but also facilitates the analysis of costs by manner of application" (the third type), the credit executives were informed. So, "if an analysis of costs by classes of customers, it is necessary only to record the number of units of a certain functional service applied to a particular class of customers, and multiply this number by the functional unit cost, to determine the share of the functional cost applicable to that class." This method is applicable to a considerable part of the costs but seldom to all, he said.

Manner-of-application analysis is a "determination of the direction which is being given to the distribution effort," and proper direction is necessary "to relate effort and cost to results obtained, to adjust the effort to sales possibilities, and properly to balance the distribution factors."

"By this analysis is determined the distribution cost of different territories, commodities, customers, channels, operating units, order sizes, etc. It is necessary for an individual concern to select from such possible analyses the ones which will give its operations proper direction. Fre-

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quently it is necessary to make cross-analyses; for example, costs may be analyzed by territories and the cost of each territory then further subdivided according to commodities or customers."

Classification of the individual cost items in accordance with the directness of their relationship to each particular analysis is the next step, and importantly so. Say the analysis is to be made by territories. "Then it must be known which costs obviously and directly relate to individual territories and which bear only an indirect or remote relationship. Unless close relationship for most of the costs can be established, management will question the validity of the results," he said.

Three major groups of distribution costs, for application analysis, are: direct, semi-direct, and indirect.

"In analysis by territories the salaries of salesmen working exclusively in individual territories are direct costs of those territories," and the "classification of accounts in itself usually expresses this direct relationship in some one direction."

Semi-direct costs present a dependable basis of measurement under a particular analysis, but the charges cannot be made immediately and directly. Professor Heckert gave these examples: the cost of packing may be distributed on the basis of physical volume, the cost of billing on the basis of the number of orders or the number of lines of billing, and, as noted, the cost of credit supervision on the basis of the number of customers.

The third type—indirect costs—



MANAGEMENT WANTS STATISTICS INTERPRETED

"We accountants have not done too well in reporting," Chicago cost accountants were told by Professor Heckert. "We grind out a vast amount of statistical data, most of which is in the form of raw material and largely wasted. We need to fashion this material into semi-finished and finished product."

"Busy marketing executives need and will use sifted and interpreted data as to significant trends; concerning specific methods which appear costly, unprofitable, or unproductive of results; data as to probable causes, responsibility, and possible solutions for bad situations; the probable cost and results of alternative possibilities."

"We need fewer pages of figures and more concise narrative comment which will motivate action. It is not our responsibility to alone make the ultimate decisions as to marketing policies and methods, but we can and must largely supply the intelligence on which such policies are based."

And the credit executive heartily seconds Mr. Heckert's motion.

includes those providing no measurable relationship with any one territory, product, or channel of distribution. As they are recognized as a general charge on the total business, "some arbitrary basis must be used if they are apportioned." Salaries of general executives, and institutional advertising, fall into this category. As the educator pointed out, there may not be any well-defined relationship between institutional advertising and the sale of Product A as contrasted with Product B.

"There is always a question as to the desirability of allocating indirect costs. The results obtained down to the point of these costs may be more useful for managerial purposes than an attempt to make a complete allocation. Such costs may simply be considered as a residual group and management informed accordingly. Such a plan does not permit of a final profit and loss determination for individual divisions, but such results, even if secured, are frequently of little value."

Executives must be warned of the extent of arbitrary allocation in cases of complete cost analysis—and in such cases as preparation of defense material for hearings before the Federal Trade Commission the analyses must be complete. Usually the amount of indirect costs lacking measurable relation is small; most distribution cost items have some ascertainable basis of apportionment, he said. Alert concerns have proved the practicability of analysis by territories, classes of customers, commodities, order size, etc.

Noting incidentally that the Robinson-Patman Act and states' unfair trade practices laws,—inactive now during price stabilization but certain

to be invoked "once competitive interest is revived,"—necessitate a detailed analysis of distribution costs, Professor Heckert emphasized that cost analyses "require painstaking interpretation with numerous answers." It is not enough, he warned, merely to tabulate the distribution costs of the various classes of customers, commodities, and so on.

"Management is seldom faced with the simple problem: shall we sell in territories A, B, or C, or to customers of X, Y or Z." The problem is usually to make one choice of numerous possibilities of combinations of distribution factors, such as what sales methods can best be employed for certain types of product to particular classes of customers in selected territories. "No mathematical formula will automatically evolve such answers, but a basis for managerial decision will be provided if the cost data are at hand and are skillfully interpreted."

Senility, Luck and Humility

SOUNDING A CALL to humility in the growing problem of what to do about the increasing number of senile persons at the fag end of the greater longevity of today, Dr. Karl Menninger, psychiatrist, addressing the Executives Club of Chicago, declared that "it is all a matter of luck" and "the more culture we have the more deeply do we resolve that in our relations with all human failures and abject ne'er-do-wells of our world we shall feel nothing but plain, simple, humble reverence before the mystery of misfortune."

"Sooner or later the shortage of psychiatrists will be met," said the head of the Menninger Foundation, "and certain problems in our living will be solved."

PROBLEM (Begun on p. 12)

The account became long past due and I wrote the debtor several letters to which I had unsatisfactory replies. Finally I went to see him. He was very apologetic and expressed his appreciation of our patience with him. He went on to explain that he was a little short of cash, but orders were coming in and the prospects were very bright. Then, waving his hand in the general direction of the tank, he said proudly, "and we have that brand new tank and it is filled to the top with fuel oil." I wilted. I knew where our money had gone. He had paid for the fuel oil and had no money with which to pay us. I collected that account in full, but had to wait three weeks longer.

We have endeavored to solve our problems by always allowing a sufficient margin of safety. As that margin narrows, we graduate down from our standard open account terms to those requiring partial payments in advance, and finally to those requiring all cash in advance on shop-built tanks, and on field-erected tanks a substantial payment before shipment and the balance of the account placed in escrow.

While we place emphasis upon the customer's ability to pay, we, of course do not disregard his paying record. We realize that our credit policies are probably more conservative than others in a similar business, but our experience over several years has shown that by working out with the customer terms that provide protection for ourselves, and yet are acceptable to him, we have eliminated many slow-paying accounts.

Banks Ask Thrift in \$48 Million Advertising Program This Year

Banks will spend \$48 millions in advertising this year and the keynote is thrift, the American Bankers Association's advertising department says after a survey. The total is \$5 millions more than in 1951.

A new subcommittee on financing of defense contracts, with 44 members, is headed by Kenton R. Cravens, vice president of the Mercantile Trust Company, of St. Louis.

Robert C. Rutherford is the new secretary of the association's American Institute of Banking, following the resignation of Floyd Larson to become executive secretary of the Minnesota Bankers Association.



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UP THE EXECUTIVE LADDER

B. J. REINKING has taken up his new duties as general credit manager of the Food Division of General Mills, Inc., Minneapolis, Minn., in charge of credit and collections. He started with the predecessor Washburn Crosby in Minneapolis in 1924, and successively became Chicago office manager, central division controller, vice president and controller of the central division, and the company's senior executive in Chicago in 1950.

O. F. SHERMAN has been advanced to Chicago regional office manager, from statistical supervisor.

JAMES A. PATTERSON is now general manager and assistant treasurer of the Imperial Furniture Company, Grand Rapids, Mich. Fred Rudy, who has resigned from active management, retains the position of treasurer.

ROLF GRIEM has advanced to controller of the A. M. Byers Company, Pittsburgh (Pa.) wrought iron manufacturer, following the retirement on pension of Carl G. Jensen as vice president and controller after more than 37 years with the company. Mr. Griem was assistant controller.

W. V. PETRY, who has served the Tenk Hardware Company, Quincy, Ill., as credit manager for several years, has been appointed sales manager. Mr. Petry is president of the Quincy Association of Credit Men.

J. L. PEIRCE has been elected vice president of A. B. Dick Company, Chicago, Ill. Mr. Peirce joined the company in 1934 and since has served as office manager, tax accountant, assistant controller and since 1947 as controller.

ALFRED E. HOWELL, assistant treasurer and secretary, and W. WESLEY GILMOUR, credit manager, have been elected members of the board of the Boston Varnish Company, Everett, Mass.

PHILIP F. HAMPSON succeeds THOMAS R. FURLONG as financial editor of the Chicago *Tribune*. Mr. Furlong becomes managing editor of the Washington (D.C.) *Times-Herald*.

At the Atlas Powder Company, Wilmington, Del., WILLIAM J. WILEY



B. J. REINKING



C. W. HIXON

has been elected to the board and to the office of financial vice president. Mr. Wiley formerly was treasurer of the International Resistance Company and more recently vice president of Stephen F. Whitman and Son, in charge of financial and production activities.

P. L. HOCKMAN has been elected secretary-treasurer of Funkhauser Industries, Inc., Ranson, W. Va. He was formerly secretary-treasurer of the O'Sullivan Rubber Corporation at Winchester, Va.

R. L. GRIFFIN has been elected vice president of the National Bank of Detroit. He has been in charge of the credit department since 1948.

H. J. MCCUSKER is the new treasurer of Cities Service Company, succeeding ERNEST H. JOHNSTON, who retired after 45 years of service. Mr. McCusker, a native of Canada, served as a lieutenant with the Canadian Army during World War I, joined Cities Service in 1919 in the cashier's department, advancing to manager of the department, and was made assistant treasurer in 1942.

NELSON I. CRUMP has been elected treasurer of the Bagby Furniture Company, Baltimore, Md. He will continue to supervise the credit department.

GORDON MURRAY, new president and director of the First National Bank of Minneapolis, succeeds the late Arthur H. Quay.

VIRGIL P. BURGESS has been named controller and acting secretary of the Morse Chain Company, a division of Borg Warner Corporation, Detroit, Mich.

Manufacturers National Bank of Detroit has advanced WALTER C. LEONHARDT to vice president and TYRUS R. STANSBERRY to credit management.

CLAYTON W. HIXON has been elected vice president of the Connelly Acceptance Corporation, Seattle, Wash. Since April, 1950, he has been treasurer, at the same time serving as credit manager of F. B. Connelly Company. Mr. Hixon previously was associated with General Electric Supply Corporation in Spokane, Portland and Seattle, where he was district service manager in charge of the northwest for several years. Mr. Hixon has been an active member of the Seattle Association of Credit Men for 20 years.

W. K. KRUSE and H. B. STAIR have been elected vice presidents of the Illinois Bell Telephone Company. Mr. Kruse, controller since 1949, continues in that post as well. Mr. Stair, an assistant treasurer of the American Telephone and Telegraph Company in New York, will have charge of long range financial planning.

GERALD A. SIVAGE has been elected treasurer of Marshall Field & Company, and EARL KRIBBEN, former treasurer, has been named assistant to the president. GEORGE A. RINDER is now assistant controller. Mr. Sivage was assistant to the chairman and before that had been assistant treasurer and assistant secretary. Mr. Kribben had been successively secretary to the chairman and to the president, and secretary and treasurer.

HUGH C. LAUGHLIN, vice president of the Owens-Illinois Glass Company, has added the duties of general manager of the administrative division, with supervision over the departments of research, personnel administration, controller, public relations, purchasing, traffic, tax, and office management.

CHANGING LOCATION

GENERAL CREDIT MANAGER, with manufacturer in northern state, wants central or southern location. Commercial legal education plus 25 years extensive credit collection and purchasing experience. Accustomed to accepting responsibility and producing. Familiar with branch house and subsidiary company operation with manufacturers of machinery, plywood and doors. Box 373FM, Credit and Financial Management.

How Managerial Guidance To Dealer Helps Supplier

(Concluded from page 17)

An example:

"One partnership, two able mechanics, considered it a matter of prestige to enter upon work which would require several months to complete without 'worrying' the property owner with any discussion of payments to be made on account as the work progressed. When our credit manager told how the largest and most respected contractors in the field stipulated monthly payments, the partners decided to make the same overtures. A somewhat awkward clause about 'payments to be made monthly' was added to the current quotation.

"When the owner placed his written order he added to his letter, to their delight, 'Payment to be made on the 20th of the month to cover material delivered to and labor supplied the project in the preceding calendar month.' They praised our representative for having helped them obtain this painless victory—but our credit man came back at once with an objection.

"Tell them you'd like the payments made on the 10th, not the 20th," he suggested.

Close Cooperation with Sales Staff

"The partners agreed to make that suggestion, and were almost bowled over when the owner heartily agreed and commented that 'my girl must have hit the wrong key, for 10th of the month was what I'd had in mind!'"

An avenue of this "commercial service" by the credit department is close cooperation with the sales manager and traveling representatives. Whenever a situation arises in the instance of one customer which might be a common problem, the credit men bring it up at a sales meeting or in conversation with some of the men.

"So when a customer mentions to a salesman that he is worried about rising costs or doesn't see why it is more of a struggle now than it used to be to discount his accounts, our representative is likely to suggest that 'Millar Service' includes advice and suggestions along just such lines.

"The salesman may have counsel to offer on the customer's inventory or even on his sales and pricing details, but he will also propose that the company's credit department may have ideas to offer. Sometimes the salesman brings in to us a re-



MEMBERS of the board of directors of the Seattle Association of Credit Men whose terms expire this month are (l to r): E. A. Cowman, Cowman-Campbell Paint Company; Gordon C. Holden, Zellerbach Paper Company; J. H. Asmussen, Washington Cooperative Farmers Association; V. S. Tjossem, Pioneer Sand & Gravel Company; A. B. Young, Graybar Electric Company.

quest for such service, but in more cases the customer comes in or phones. In one recent instance, the customer brought many pounds of books and records with him, after phoning to arrange an appointment.

"A salesman happened in one day when a merchant was considering the purchase of a new accounting system. Maybe he killed a sale for one merchandiser, but he made a sale for another, for at his prompting the customer phoned us for advice. The result was that he bought an accounting type of cash register which will classify his department's transactions as they occur and provide sound control for his purchasing and sales policies."

Then there is the unfailing rule that "one satisfied customer tells another." Mr. Davis recalls that "it was no surprise to us that young Brown came around for counsel one day, because for 20 years we frequently talked business with his uncle, who had owned and managed the same enterprise." He added, "We hope to serve Brown's successors, too!" You couldn't get a bet against that!

Business Must "Sell" Freedom

It's high time for business to do a real selling job of the truth that its interests and those of the man in the street "are irrevocably bound together," Arthur H. Jones, vice president of the American Trust Company, told the members of the Piedmont Association of Credit Men, Inc., Charlotte, N.C.

Once all are convinced that our way of life can survive only if capital, labor and management work to-

gether, "we need not fear that shame, scandal and corruption shall be any permanent part."

The five P's of preservation of free enterprise, Mr. Jones declared, are production, profit-sharing public relations, promotion of employee welfare, and participation in public office.



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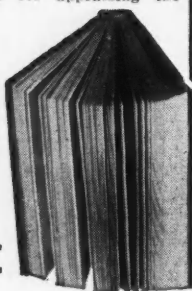
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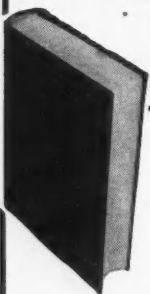
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DESIGN AND CONTROL OF BUSINESS FORMS

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- Shows how to get the EXTRAS in efficiency and cost reduction that well-designed and controlled business forms can give. Covers every important phase of business forms, indicating their importance in today's business operations as a means of reducing clerical costs and improving flow of information to executives. Provides practical "how-to-do-it" help on how to write and design forms, how to get them printed, how to buy paper and forms from the printer, and how to control their use. Includes a description of the Functional Index, a method developed by the author for analyzing and classifying forms in order to build a permanent foundation for control. By Frank M. Knox, Pres., Frank M. Knox Co., Cleveland, Ohio. National Office Management Association Series, 229 pages, 114 illus., \$6.50.



BUSINESS FORECASTING

Principles and Practice
Just Published

- Presents effective methods of organized forecasting—to use as a key to successful business operations. Explains business forecasting as a practical management tool, indicating its value in planning investments, budgets, production schedules, merchandising campaigns, etc. Discusses the principles and practices of organized forecasting, as opposed to "hunch" forecasting, based on guess or intuition. Shows how to set up and organize forecasting activities in both large and small companies—for better-informed management decisions and more successful business operations. By Frank D. Newbury, Consulting Economist; formerly Vice-Pres., Westinghouse Elec. Corp. 270 pages, 24 illus., \$4.75

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- ☐ 1. Graham & Dodd—SECURITY ANALYSIS, \$8.00
- ☐ 2. Knox—DESIGN & CONTROL OF BUS. FORMS, \$6.50
- ☐ 3. Newbury—BUSINESS FORECASTING, \$4.75

(Print)

Name.....

Address.....

City.....

Company.....

Position.....

CFM-4-52

This offer applies to U.S. only

LETTERS TO THE EDITOR

COLLECTIONS AND COWS

"Your article in the March issue, 'Should Salesmen Collect Accounts?', was very interesting and I thoroughly enjoyed the different viewpoints.

"Evidently L. A. McWhorter, Chattanooga, Tenn., has not spent much time on the farm, or they raise a different type of cows in Tennessee. His last paragraph reads: 'It is natural and customary to milk a cow from the left side only.' Being an old country boy I am curious to know when they changed the milking side."

L. R. EDWARDS
Branch Credit Manager
Sewall Paint and Varnish Company
Houston, Texas

EDITOR'S NOTE: Touché! A "different viewpoint," indeed, for the cow too—and the reason why more than one Bossy has planted a hoof in the pail and her tail in the novice milker's face.

APPEAL THROUGHOUT

"Congratulations on the swell job of revamping CREDIT AND FINANCIAL MANAGEMENT. I like its makeup, its articles and the appeal the whole magazine has."

E. V. KIDD, Credit Manager
The Studebaker Corporation
South Bend, Ind.

REPRINTING DEBATE

"May we have permission to reprint excerpts from 'Should Salesmen Collect Accounts?' which appeared in the March issue of CREDIT AND FINANCIAL MANAGEMENT?"

SALES SCRAP BOOK
Managing Editor
Daniel P. Flanigan
New York, N.Y.

TAX STUDY INFORMATIVE

"Greatly enjoyed reading the February '52 issue of CREDIT AND FINANCIAL MANAGEMENT. In my opinion, it even outshone the previous one. Thought that 'The Effects of Taxes on Business Planning' was especially informative."

JOSEPH H. BARON, Credit Manager
National Felt Company
Boston, Mass.

REPUBLISHING ARTICLE

"We would indeed appreciate your permission to republish 'Cost and Tax Blow to Profit Puts Management to Test,' which appears in your January, 1952, issue."

THE FOREMAN'S DIGEST, INC.
Mort Friedlander, Editor
Mystic, Conn.

COMPARABLE TO BEST

"The editorial content plus the layout, puts CREDIT AND FINANCIAL MANAGEMENT in the position comparable to the best in magazine reading . . . It does increase

reader's interest . . . The February issue is the best I have seen in years."

HARRY C. JACKSON, Credit Manager
American Hardware Corporation
New Britain, Conn.

TAX ANALYSIS REPRINT

"I am happy to tell you that the Editorial Board of the *Monthly Digest of Tax Articles* has selected an article from the February, 1952 issue of CREDIT AND FINANCIAL MANAGEMENT for inclusion in the March issue of our "Digest." It is the article by Mr. Julian A. Hawk on 'The Effects of Taxes on Business Planning.'"

RUSSELL E. NEWKIRK
Newkirk Associates, Inc.
Albany, N.Y.

ENTIRELY MODERN

"I find your present specifications of FINANCIAL MANAGEMENT entirely modern in appearance and presentation, very readable and interesting."

COMMODORE ROBERT C. LEE
Executive Vice President
Moore-McCormack Lines, Inc.
New York, N.Y.

BEST BUSINESS MAGAZINE

"No previous issue (CREDIT AND FINANCIAL MANAGEMENT) could possibly compare with this one. If you are able to maintain this standard in future issues, and I am sure you will, it will become the best business magazine in the country."

M. C. ROBERTS, Credit Manager
Tide Water Associated Oil Company
Tulsa, Okla.

MUCH MORE INTERESTING

"The new style of the C. & F. M. magazine is much more interesting. You have done a very good job of improving it."

JOHN E. HOFF, President
The Klearflax Linen Looms, Inc.
Duluth, Minn.

IT'S TOPS

"Congratulations on the splendid improvement in CREDIT AND FINANCIAL MANAGEMENT magazine. I like and enjoyed reading every part of it. The last issue was tops."

O. O. WITHERSPOON
J. S. Bell, Jr. & Company, Inc.
Norfolk, Va.

A WELCOME VISITOR

"There is a distinct improvement in the magazine and I like it very much better. It should be a very welcome monthly visitor to all readers."

A. F. ZOELLNER, Secretary
John K. Burch Company
Grand Rapids, Mich.

Legal Rulings and Opinions

Check Perforation Not Enough

The statutory requirement of Minnesota that acceptances and certification of checks must be in writing and signed by the drawee bank was not satisfied by perforation by the drawee bank of "paid" and its transit number on a check, the state supreme court ruled. The bench found the bank liable for failure to honor an oral stop payment order issued after the check had been perforated but before signing of the certification and before payment.

A Limitation on Picketing

The U. S. Supreme Court has sustained a decision of the U. S. court of appeals that under the Taft-Hartley Act a union is liable for damages if it pickets a company's place of business while the National Labor Relations Board is considering a jurisdictional dispute.

The high court ruled the International Longshoremen's & Warehousemen's Union liable to \$750,000 in damages for picketing the mills of the Juneau Spruce Corporation, Juneau, Alaska, in 1948, against the International Woodworkers of America, CIO.

Definition of "Falling Objects"

The term "falling objects," as used in an insurance policy in designation of a cause of loss or damage to an automobile, means objects of the character of being freed from suspension and support to descend by the force of gravity, the supreme court of Oklahoma held, reversing a district court ruling in the case of W. I. Smith against the Concordia Fire of the Loyalty group.

After quoting the Webster International Dictionary definition of the word "fall," the higher court stated: "... the truck was impelled by impact with the bridge to an impact or collision with plaintiff's automobile. Although the angle from which the second impact occurred was downward, we conclude that the truck was not a 'falling object' within the meaning of the insurance policy." The contract had specifically excepted coverage of loss caused by collision.

Sunbeam Fair Trade Ruling

Following the U. S. Supreme Court ruling of last May, which in effect made state Fair Trade laws inapplicable in interstate commerce,

the high court refused to review a lower court decision permitting a Pennsylvania retailer to sell Sunbeam electrical appliances below Fair Trade prices of the manufacturer in that state.

Stop-Payment Form Not Binding

A stop-payment form is not binding upon a depositor in a New Jersey bank, the appellate division of the superior court ruled in upholding a decision against the Passaic-Clifton National Bank and Trust Company.

The signed stop-payment card contained this release clause:

"Should the check be paid through inadvertence, accident or oversight, it is expressly agreed that the bank will in no way be held responsible. The bank receives this request upon the express condition that it shall not be in any way liable for its act should the check be paid by it in the course of its business."

Liability of Escrow Agent

The Supreme Court of Missouri ruled in favor of a steel purchaser and against a bank as escrow agent in the case of a transaction that involved spurious bills of lading.

The supplier and purchaser entered into a tripartite escrow agreement with the bank's trust department. The purchaser deposited \$16,000 in escrow "on execution of this agreement, as part of the pur-

chase price" and the bank was authorized to pay the \$16,000 to the seller "upon presentation . . . of the originals bills of lading." The bank accepted the \$16,000 and an escrow fee of \$25.

The seller later presented six purported bills of lading. A discrepancy in sizes of the sheets of steel was cleared by phone with the buying company's president who confirmed by letter, and the bank then accepted the bills of lading, paid the money to the seller and mailed the bills of lading to the buyer. These bills of lading proved to be forgeries. The buyer, who had not gotten the steel, learned from the Louisville & Nashville Railroad that the bills were spurious and that the railroad had not received such shipment. The buyer then successfully claimed the \$16,000 from the bank.

When an express trust was found in the escrow agency agreement, the court held the bank to be a trustee and "absolutely bound by the terms and conditions of the deposit and charged with a strict execution of the duties voluntarily assumed."

Freight Case Review Refused

The U.S. Supreme Court refused to review a lower court's approval of a settlement by the Motor Carriers Claims Commission with the R-B Freight Line. Taken over by the Government during a wage dispute in World War II, the freight line ruled it had not been paid enough.

As this was the first of 103 similar cases settled by the commission, the Government also wanted a review.

Is Your Insurance Up-to-Date?

Building values are higher today. Owners, mortgagees, trust officers and others responsible for safeguarding property should protect it with adequate insurance at present day values. Why not have your insurance policies checked now? A consultation with our agent incurs no obligation. Write today.



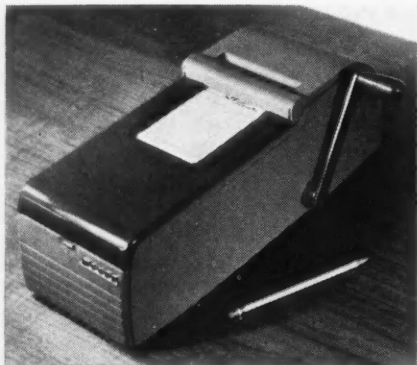
THE PHOENIX-CONNECTICUT
GROUP OF INSURANCE COMPANIES

Time Tried and Fire Tested

The Phoenix Insurance Co. Hartford, Connecticut	The Central States Fire Insurance Co. Wichita, Kansas
The Connecticut Fire Insurance Co. Hartford, Connecticut	Atlantic Fire Insurance Co. Raleigh, North Carolina
Equitable Fire & Marine Insurance Co. Providence, Rhode Island	Great Eastern Fire Insurance Co. White Plains, New York
Minneapolis Fire & Marine Insurance Co. Minneapolis, Minnesota	Reliance Insurance Co. of Canada Montreal, P. Q., Canada

Modernizing for Office Efficiency

introducing new office equipment and systems to effect economies in labor and costs, as well as to speed production of essential office work



Modernized Register Introduced

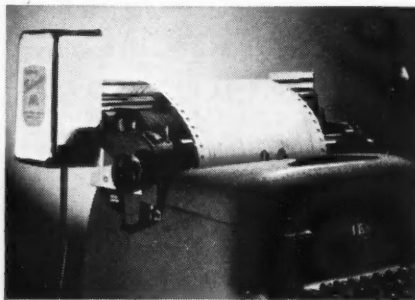
A brand new Register, introduced by Moore Business Forms, Inc., incorporates a number of exclusive features. For example, its lever operation permits more attractive "counter sinking"; it requires less counter space, and assures more convenient operation; a warning bell rings when the carbon should be changed; a positive refolding device eliminates troubles caused sometimes by the conventional "gravity refolding" method. In addition, there is a new carbon roll holder and clamping bar for more efficient carbon operation; an improved writing plate for better carbon copies; and a feature permitting reloading while the file compartment remains locked. The new Register is finished in two-tone gray crackle finish, with smooth top for easier writing. Direct your inquiry to Moore Business Forms, Inc., 900 Buffalo Avenue, Niagara Falls, N.Y.

Fanfold Speed Writing Machine

Ten-key keyset decimal tabulation is featured in this new writing machine. The tabulator, which makes possible rapid positioning of the carriage, is in the normal area immediately above the keyboard. It is



planned to eliminate all non-productive operations in the preparation of forms that require one or more copies. The operator has only to touch the keys of the familiar standard typewriter keyboard. Uniform type impressions are automatic and 10 pressure control settings give any desired number of carbon copies. Features include an electric intermediate and full carriage return control palm tabulator, adjustable form measuring gauge for accurate form of removal, pivoting transparent form cutting knife, and choice of floating sheet or roll carbon paper. For full information write the Underwood Corporation, 1 Park Avenue, New York 16, N.Y.



Here's Carbon-Saving Appliance

A carbon saving device, to be attached to typewriters, has been introduced by the Carbon-Feedmaster Company, 309 Henry Street, Eureka, Ill. When used with electric typewriters the Carbon-Feedmaster mechanism can be actuated by the closing of a midget switch mounted under a dual carriage return key. The electric feed control mechanism permits the carbon, in roll form, to feed one-sixth of an inch for each line typed, resulting in 50 per cent reduction of carbon paper usage on master writing jobs where lines are double-spaced. The device eliminates the necessity of collating or interleaving carbon sheets with master sheets.

When writing to the makers of these products please mention that you read about them in CREDIT AND FINANCIAL MANAGEMENT.



New Push-Button File Control

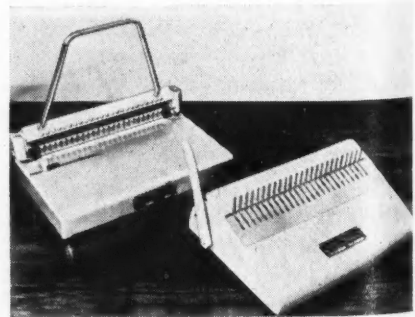
A new type motorized card file which in approximately 12 square feet provides for 40,000 8 x 5 cards, 82,000 tabulating size cards or 90,000 5 x 3 cards, and brings them to the operator's working level at the touch of a switch, has been announced by the Simpla Research & Manufacturing Company, Inc., 425 Fourth Avenue, New York 16.

By simply pushing a button, the section of the file desired comes to the operator in less than three seconds, by the shortest direction regardless of which section previously was used.

Portable Plastic Binding System

This new portable plastic binding equipment makes it possible for every office, plant, or organization to use a practical and modern method of binding booklets, reports, catalogs and loose sheets of all kinds quickly and at low cost. Four steps are required. (1) Set the paper guide to center your sheet under punching dies, insert your paper, push down the handle, and the paper is precision-punched. (2) Open binding

(Concluded on page 28)



Complete Data for Your Credit File In This New Envelope Form

Form SA _____ Date _____ 195_____
FINANCIAL STATEMENT OF _____
Type of Business _____ Address _____
At Close of Business on _____ 19 ____ City _____ State _____
ISSUED TO _____ { Name of Firm Requesting Statement }
[THIS FORM APPROVED AND PUBLISHED BY THE NATIONAL ASSOCIATION OF CREDIT MEN]
For the purpose of obtaining merchandise from you on credit, or for the extension of credit, we make the following statement in writing, intending that you should rely thereon respecting our exact financial condition.
(PLEASE ANSWER ALL QUESTIONS. WHEN NO FIGURES ARE INSERTED, WRITE WORD "NONE")

ASSETS		Dollars	Cents	LIABILITIES		Dollars	Cents
Cash in Bank	\$			Accounts Payable	\$		
Cash on Hand				(For Merchandise)			
Accounts Receivable				Notes and Acceptances Payable			
(Amt. 60 Days Past Due \$.....)				(For Merchandise)			
(Amt. Sold or Pledged \$.....)				Notes Payable — Banks			
				When Due.....Secured <input type="checkbox"/> Unsecured <input type="checkbox"/>			
Notes and Trade Acceptances Receivable				Taxes Payable or Accrued:			
(Amt. Sold or Pledged \$.....)				Income Taxes			
Merchandise Inventory, Not on Consignment or Conditional Sale, at Cost or Market whichever is lower				Other Taxes, Including Sales Tax			
(Amount Pledged \$.....)				Interest, Accrued			
Other Current Assets: (Describe)				Rental, Payroll, etc., Accrued			
				Payables to Partners, Relatives, etc.			
				Other Current Liabilities: (Describe)			
TOTAL CURRENT ASSETS				TOTAL CURRENT LIABILITIES			
Land and Buildings (Depreciated Value)				Mortgage on Land and Buildings			
Leasehold Improvements (Amortized Value)				Chattel Mortgage on Merchandise or Equipment			
Machinery, Fixtures and Equipment (Depreciated Value)				Lien on Merchandise or Equipment			
				Other Liabilities, Not Current: (Describe)			
Due from Officers or Non-Customers							
Other Assets: (Describe)							
				TOTAL LIABILITIES			
				Net Worth or { Capital \$ Surplus \$ }			
\$				\$			
TOTAL ASSETS				TOTAL LIABILITIES AND NET WORTH			

Form Number 5-A has been designed for use with both large and small customers. Note how it covers practically every question that might be asked—both new and old accounts.

Statement of Profit and Loss,
amount of sales for period.
Amounts accrued to pay tax
bill and a full report on insur-
ance carried.

Reference to auditor's reports meets new trend in credit analysis.

BE SURE TO ANSWER ALL THESE QUESTIONS:		STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED _____																																																																															
Amount you are liable for as Endorser, Guarantor, Surety \$ _____	Date of Last Physical Inventory _____	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Sales (net) _____</td> <td>Gross Profit on Sales _____</td> <td>Net Profit on Sales _____</td> </tr> <tr> <td>Deduct: Cost of Goods Sold _____</td> <td>Deduct: Expenses _____</td> <td>Less: Income Tax _____</td> </tr> <tr> <td>GROSS PROFIT ON SALES _____</td> <td>NET PROFIT ON SALES _____</td> <td>NET INCOME _____</td> </tr> <tr> <td colspan="2">AMOUNT OF ANNUAL SALES FOR CASH \$ _____</td> <td>AMOUNT OF ANNUAL SALES ON CREDIT \$ _____</td> </tr> <tr> <td colspan="3" style="text-align: center;">BUY PRINCIPALLY FROM THE FOLLOWING FIRMS:</td> </tr> <tr> <td></td> <td></td> <td colspan="2"> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">NAMES</th> <th style="width: 40%;">ADDRESSES</th> <th style="width: 20%;">AMOUNT OWING</th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>_____</td> <td>\$ _____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table> </td> </tr> <tr> <td>Amount of Delinquent Taxes: _____</td> <td>Date of Latest Audit _____</td> <td colspan="2"></td> </tr> <tr> <td>Sales Tax \$ _____</td> <td>Do Figures submitted agree _____</td> <td colspan="2"></td> </tr> <tr> <td>Income Tax \$ _____</td> <td>Name of Auditor _____</td> <td colspan="2"></td> </tr> <tr> <td>Property Tax \$ _____</td> <td>Auditor's Address _____</td> <td colspan="2"></td> </tr> <tr> <td>Other Tax \$ _____</td> <td></td> <td colspan="2"></td> </tr> <tr> <td>Amount of Merchandise held on Consignment _____</td> <td>May We Contact Auditor _____</td> <td colspan="2"></td> </tr> <tr> <td>Amount of Machinery or Equipment held under Lease \$ _____</td> <td>Title to Business Premises _____</td> <td colspan="2"></td> </tr> <tr> <td>Amount of Machinery or Equipment under Conditional Sale \$ _____</td> <td>If Premises leased state As _____</td> <td colspan="2"></td> </tr> <tr> <td>Amount You Pay Each Month: _____</td> <td>Rental \$ _____ Le _____</td> <td colspan="2"></td> </tr> <tr> <td>On Machinery Lease \$ _____</td> <td>Name of your Bank(s) _____</td> <td colspan="2"></td> </tr> <tr> <td>On Conditional Sale \$ _____</td> <td></td> <td colspan="2"></td> </tr> </table>		Sales (net) _____	Gross Profit on Sales _____	Net Profit on Sales _____	Deduct: Cost of Goods Sold _____	Deduct: Expenses _____	Less: Income Tax _____	GROSS PROFIT ON SALES _____	NET PROFIT ON SALES _____	NET INCOME _____	AMOUNT OF ANNUAL SALES FOR CASH \$ _____		AMOUNT OF ANNUAL SALES ON CREDIT \$ _____	BUY PRINCIPALLY FROM THE FOLLOWING FIRMS:					<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">NAMES</th> <th style="width: 40%;">ADDRESSES</th> <th style="width: 20%;">AMOUNT OWING</th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>_____</td> <td>\$ _____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>		NAMES	ADDRESSES	AMOUNT OWING	_____	_____	\$ _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	Amount of Delinquent Taxes: _____	Date of Latest Audit _____			Sales Tax \$ _____	Do Figures submitted agree _____			Income Tax \$ _____	Name of Auditor _____			Property Tax \$ _____	Auditor's Address _____			Other Tax \$ _____				Amount of Merchandise held on Consignment _____	May We Contact Auditor _____			Amount of Machinery or Equipment held under Lease \$ _____	Title to Business Premises _____			Amount of Machinery or Equipment under Conditional Sale \$ _____	If Premises leased state As _____			Amount You Pay Each Month: _____	Rental \$ _____ Le _____			On Machinery Lease \$ _____	Name of your Bank(s) _____			On Conditional Sale \$ _____			
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THE REVERSE SIDE OF THIS FORM MUST BE COMPLETED →

The foregoing statement (both sides) has been carefully read by the undersigned (both the printed and written matter), and is to my knowledge in all respects true and correct. It discloses to you the true state of my (our) financial condition on the _____ day of _____, 19____.

I (we) warrant that there is no material unfavorable change in my (our) financial condition; and if any such change takes place I (we) will give you notice in writing within 10 days of the date of such change. The figures submitted are not estimated. They have been taken from my (our) books and physical inventory taken as on date shown ☐ or my (our) perpetual book inventory as on date shown ☐. (Please check either "physical inventory" or "perpetual book inventory".)

Name of Individual or Firm _____

If Partnership, name partners _____

If Corporation, name officers _____

How long established _____ Previous business experience _____ where _____

Date of signing statement _____ Street _____ City _____ State _____

Witness _____ Signed by _____

Residence Address _____ Title _____

of Witness _____

Write for Free Sample Book showing the new and revised Statement Forms available

PUBLICATIONS DEPARTMENT

NATIONAL ASSOCIATION OF CREDIT MEN

229 Fourth Avenue

New York 3, N. Y.

Portable Plastic Binding System (Concluded from page 26)

and choose a length of plastic binding of the desired color and diameter. Cut to length with scissors. Slip binding between vertical fingers and pull down handle. (3) Slip the punched covers and sheets onto open rings, release the handle, and binding snaps shut. (4) Lift book off vertical fingers and you have a plastic bound book identical to professional bindery work. Bindings come in popular colors to dress up booklets and increase utility. They are available in a complete range of diameters. The pages, regardless of the stiffness of paper stock, turn easily and lie flat, and various page sizes can be bound in one book. Write for more information on Models GBC 12 or GBC 16 to General Binding Corporation, 812 W. Belmont Ave., Chicago 14, Ill.



Speeds Paperwork, Cuts Cost

Business system experts have in Ozamatic a new aid to speed paperwork flow and reduce copying costs. The speedy copying process in seconds duplicates anything typed, drawn or written. Reports, letters, drawings, records, all routine paperwork can be reproduced quickly and accurately. No need of special stencils or masters, and less rewriting and retyping and proofreading. Copies can be made on any length and practically any width on a variety of materials and in several colors, and in any number. The Ozamatic is a small, large volume copying machine which produces a master from a master—reproducing any translucent original. Its light weight is adapted to any desk. For folders and more information write to Ozalid, Division of General Aniline & Film Corporation, Johnson City, N.Y.



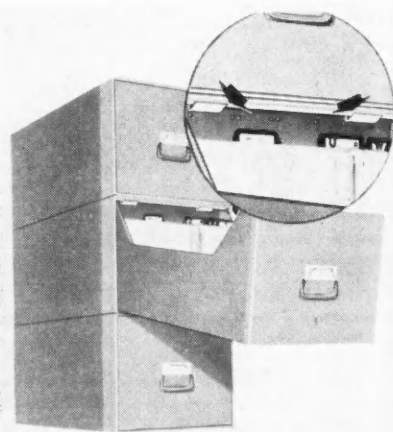
A Unit for Filing and Finding

The Guide-O-File, with Slid-o-matic disappearing top, is an unusual unit which provides a personal file where information can be kept instantly available. The top disappears at a slight push of the finger, and slides back in place with equal ease. Equipped with 25 Guide-O folders, complete with adjustable metal tabs and an assortment of inserts for tab headings, the file is fashioned of steel in gray finish, and the metal stand is at a height for easy reference. Mounted on rollers, the Guide-O-File can be moved about as required, and is available without stand for use on desk or table. Guide-O folders hang on frames in the file drawer, maintaining a vertical position entirely free from the bottom of the file, an aid to orderliness and availability. The file is manufactured by the Guide System and Supply Company, Inc., 335 Canal St., New York 13, N.Y.



Permanent Files, Modest Outlay

Chem-Board Files are a product of an exclusive process for chemically impregnating raw corrugated fiberboard to make it flint-hard and rock-strong. Fully loaded files can be stacked to the ceiling without intermediate supports, and the files mate together vertically. Impervious to moisture, they cannot rust. There are positive drawer stops and the files are light in weight. Shipped assembled ready for use, they are securely stitched with steel wire, have no gum or fixtures to work loose, and do not break down under active usage. The cost and weight approximate 50 per cent less than steel files. Standard 14 sizes are available, as well as special sizes in volume. Full information from Convooy, Inc., P.O. Station B, Box 216, Canton 6, Ohio.



An All-Purpose Eraser Stick

A new semi-automatically propelled ink and pencil eraser is being made by the Gits Molding Corporation, 4600 W. Huron St., Chicago. The eraser stick is held in a plastic case, tapered at the opening to permit the user to remove single letters, dots and lines without using a shield. The case opens at the center, permitting the user to insert refills when required, and the eraser stick can be ejected to maintain a convenient erasing length. Eraser is a special abrasive formula which erases ink, pencil and typewriter marks without damage to the paper. Known as the Gits Small Point Eraser, it is sold with three refills, and additional refills are available.

Nothing is as embarrassing as watching the boss do something you told him couldn't be done.

—Time Sales Financing

Guides to Improved Executive Operation

KEEPING INFORMED

RATE YOURSELF—By R. M. Rhodes.

Get this questionnaire from Updegrapp Press, 4 Harwood Bldg., Scarsdale, N.Y. Price 40c. Included are more than 100 questions specially designed to give you a line on your executive abilities, your work habits and attitudes, and help you spot your weaknesses and strong points.

HOW TO READ THE FINANCIAL NEWS—

Information Service, N.Y. Herald Tribune, 230 W. 41st St., New York 18, N.Y. Price \$1. Outlining the U. S. financial structure, the booklet will clarify your understanding of a number of terms such as ex-dividend, short statement, puts and calls, hedging and odd-lot trading. It is an aid for interpretation of various business indices, production figures and crop reports, and a better understanding of the business section of a newspaper.

SIX STEPS IN SELLING TO THE ARMED

SERVICES—Department of Manufacture, Chamber of Commerce of the U. S., Washington 6, D.C. Price 15 cents. With stimulated interest in defense contracts and subcontracts, especially among smaller manufacturers, the booklet presents six points to remember in going after that contract.

ALASKA 1951—Superintendent of Documents, Washington 25, D.C. Price 20 cents. Up-to-date information is provided on the fishing industry, hunting and trapping, mining, farming, business opportunities, living cost, living conditions and vacation facilities.

HOW TO PREVENT ACCIDENTS IN YOUR

HOME—There is a lot of "do's" and "don'ts" in this pamphlet, and good advice on how to prevent accidents around the house. 16 pp. National Research Bureau, Inc., 415 N. Dearborn St., Chicago 10, Ill. Price 25c.

Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.

To expedite receiving these booklets, please address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 33 So. Clark St., Room 1538, Chicago 3, Ill.

EFFICIENCY TIPS

190—Dennison Mfg. Company's booklet describes how informative labeling can help promote the sale of products at the retail point of sale; use in combating price competition; establishing a trademark name; reducing losses on returned goods, etc.

191—Telautograph Corporation will send its booklet explaining the method of instantaneous transmission of simulated forms. When a message is written on the telecriber the simulated form is delivered to one or more receiving stations.

192—Gray Audograph Corporation's booklet, **MANPOWER STARTS WITH YOU**, demonstrates ten tried and tested methods for saving time. Shortcuts are given for improved methods of dictating and suggestions from actual experience.

193—Columbia Ribbon & Carbon Company has a booklet **COLITHO FOR FINEST RESULTS IN OFFSET DUPLICATION**, on how to produce hundreds of copies with one writing.

194—National Cash Register Company will send **HOW TO SAVE MONEY ON YOUR ACCOUNTING**. New Central Control and Proof Machines provide an exclusive combination of time and effort saving features that cut proof-accounting costs.

195—Hammermill Paper Company's booklet, **DUPLICATOR FACTS**, describes a method of turning out multiple copies of reports, sales letters and similar material. It is accompanied by a sample book of duplicator paper.

196—Merrill Lynch, Pierce, Fenner & Beane's **DIVIDENDS** lists 638 common stocks that have paid dividends each year for at least 20 years, and some for more than a century. Also included are recent prices and yields.

BOOK REVIEWS

BUSINESS AND PROFESSIONAL SPEECH.

By Lionel Crocker. Price \$4. The Ronald Press, New York 10, N. Y.

♦ A practical and concrete addition to the growing list of texts on how to speak. Of the 460 pages, about one-fifth describe and prescribe for ordinary types of speeches—sales, policy talks, interviews, radio and television, using the phone, etc. The author is professor of speech at Denison University and this year's president of the Speech Association of America.

1951-1952 CREDIT MANAGEMENT YEAR BOOK. Edited by A. Leonidas Trotta. Published by the National Retail Dry Goods Association, 100 W. 31st St., New York 1, N.Y. Special price to N.A.C.M. members \$6. Non-members \$10.

♦ Here's the only book of its kind compiled each year for those interested in retail credit. It gives the latest tested and proved methods for stimulating credit sales, collecting accounts, increasing efficiency and reducing operating costs. There are reports of case histories, discussions and conclusions of C.M.D.'s recent national conference—the actual experience of more than 100 retail credit executives. This is an up-to-date source-book of new and profitable business ideas.

A TREASURY OF INSPIRATION. By Ralph L. Woods. Price \$5. Thomas Y. Crowell Co., 432 Fourth Ave., New York 16, N.Y.

♦ In this book the author has harvested a rich store of inspirational thoughts. Drawing on the prose and poetry of all nations and centuries, he has filled the volume with more than seven hundred selections drawn from 400 authors. Passages from the Bible, too, form an important part of the collection. It is carefully compiled and edited so as to achieve the diversity necessary to meet every need and taste.

Books reviewed or mentioned in these columns are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your book store or direct from the publisher.

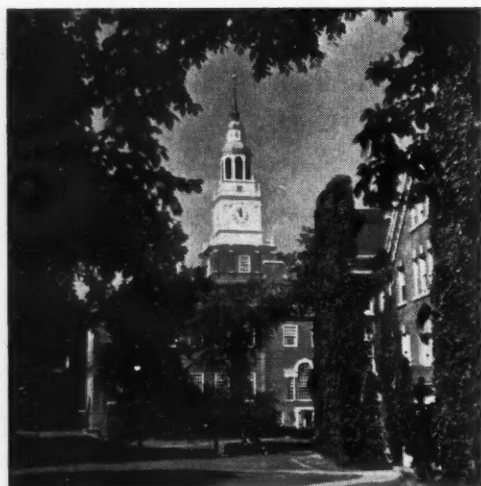
This is what every FINANCIAL EXECUTIVE should know about the GRADUATE SCHOOL of Credit and Financial Management

Sponsored by two outstanding Graduate Schools of Business, the National Association of Credit Men with its 31,000 member firms, and the Credit Research Foundation with its research and educational facilities.

The Graduate School program offers mature, experienced credit and financial executives an opportunity to become more competent, to think more constructively, and to exchange experiences and ideas with other seasoned executives from widely diversified businesses.

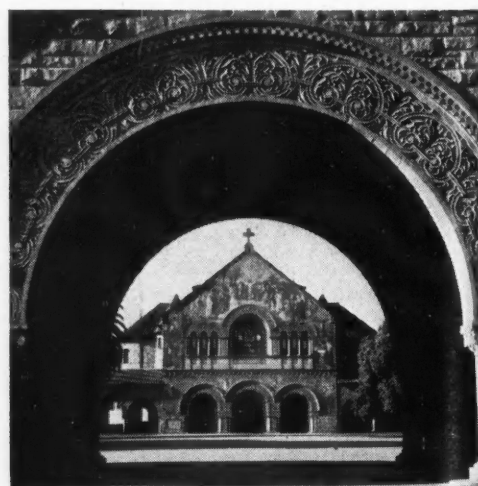
The two weeks spent each summer for three years in this PLANNED TRAINING PROGRAM is an excellent investment for the Executive who participates in it and for the company that makes his attendance possible. The fresh points of view, the broad vision of business problems, and the development training in executive abilities, all contribute to a more competent executive.

The School conducts two identical Sessions, one at Stanford University opening July 6th and the other at Dartmouth College starting on August 3rd. You may select the location most convenient and desirable for you.



Tuck School, Dartmouth

A new brochure giving full information about the Graduate School of Credit and Financial Management is now available. If you are interested, write for a copy to Dr. Carl D. Smith, Director of Education, 229 Fourth Avenue, New York 3, N. Y.



View on Stanford Campus

ASSOCIATION NEWS

Highlighting Activities National, Regional, Local

On to Houston, Industrial Frontier of America!

DELEGATES attending the 56th Annual Credit Congress of the National Association of Credit Men, May 11-15, will see firsthand the many reasons why Houston has become known as America's Industrial Frontier.

Houston has undergone a mighty transformation since the passing of the 19th Century. Then, Houston counted 44,000 population; today it's 640,000 within the corporate limits, 840,000 in the metropolitan area.

A new era opened for Houston when oil first gushed from Spindletop, 90 miles away, in 1901, and in north Harris county, of which Houston is the county seat, three years later. Industries sprang up to find the oil, to use natural gas, to construct oil field tools. This combination soon gave Houston full claim to being the oil capital of the world and the nation's leading oil port.

Within 100 miles, 268 fields produce 200 million barrels of oil annually; ringing the city are 14 of the greatest oil refineries. Within the city are more oil companies and allied industries than in any other city in the world.

In the Gulf Coast area the expansion program for chemical plants, refineries and gasoline plants alone is costing \$845,368,261, says the South Texas National Bank of Houston. The Ethyl Corporation is building a \$45 million plant to make anti-knock compounds; Heyden Chemical Corporation of New York is planning a \$12 million project; Phillips Chemical, production investments above \$40 millions; Diamond Alkali Company, \$7.5 million expansion of its \$12 million plant built in 1948; Shell Oil and Shell Chemical, Humble Oil and Refining Company and others, multi-million-dollar extension programs.

The Port of Houston last year handled 45,051,748 tons; 3,500 deep sea vessels used its facilities. Lining the Ship Channel is a wide array of industries—chemical plants, oil re-

(Concluded on page 40)

Group Programs, to Date

By J. K. PRANTER, Industry Meetings Committee Chairman
Metal Goods Corporation, Houston, Texas

● Twenty-seven major Credit Groups and allied lines are winding up plans for the Credit Congress of Industry sessions Tuesday, May 13, an important part of the 56th Annual Convention of the National Association of Credit Men, at Houston May 11-15.



J. K. PRANTER

Most Industry Meeting programs are complete. Those received to date are listed herewith. Look over the many fine subjects; the variety bears evidence of the close relationship of credit to other departments within your company.

Would you like to hear a discussion of "The Credit Department from A Sales Manager's Viewpoint?" A treat is in store for the Hardware Manufacturers Group in the address by B. R. Scheff, general sales manager of The Wright Manufacturing Company, Houston.

A few more peeks behind the curtain:

Dr. Arthur A. Smith, vice president and economist of the First National Bank, Dallas, Texas, economist and exponent of the free enterprise system, will address a joint luncheon meeting of three Groups.

John T. Jones, president of the Houston *Chronicle*, will be guest speaker at the Advertising Media Industry luncheon, and Jesse Jones, former R.F.C. administrator, will be honor guest. Morris Frank, humorist and *Chronicle* columnist, will entertain a joint luncheon of other groups. "V Loans" will be interpreted by T. W. Johnson, vice president of the Security First National Bank, Los Angeles, Calif., called the best informed man on this subject in the nation.

If you have not already registered and made your convention reservations, please hurry! You will be royally entertained and the informative programs will be worth far more to you and your company than the cost of your trip.

The Group programs follow:

Advertising Media

Forenoon program: keynote remarks by Chairman A. F. Gerecke, St. Louis *Post-Dispatch*, on "The Responsibility and Recognition of Newspaper and Radio-TV Credit Managers," followed by three panel discussion periods.

First discussion: "The Cost of Credit Departments and Efficiency of Their Procedures," led by Thomas McFarland, credit manager, Milwaukee *Journal* and stations WTMJ, WTMJ-TV, with S. M. Butler, credit manager, Schenectady (N.Y.) *Union Star*, and C. W. Pierson, credit manager, Minneapolis *Star and Tribune*.

Second discussion, on "Coast-to-Coast Roundup of Business Prospects and

Their Effect on Credits and Collections," led by R. T. Holman, credit manager, Cleveland *Press* and stations WEWS, WEWS-TV, with credit managers from Chicago, Cincinnati, Minneapolis, Houston, New York, Los Angeles and Louisiana (names to be announced).

Third panel discussion on "Credit Problems of Radio and Television," H. E. Hull, credit manager, Detroit *News* and stations WWJ, WWJ-TV, with P. F. Benton, controller, stations KMO, KIT, Tacoma, Wash., and W. F. Budde, credit manager, station KWK, St. Louis.

Industry luncheon 12:30 p.m.: J. T. Jones, president, Houston *Chronicle*,
(Continued on following page)

Panel Discussions Emphasized

(Continued from page 31)

guest speaker; Jesse Jones, Houston publisher, honor guest.

Afternoon session: discussion, "If Newspaper Advertising Is the 'Life Blood' of Retailers, Will Their Unpaid Loans at Banks Decrease in Value when Newspaper Credit Is Cut Off?" Leader, Chairman Gerecke.

Panel discussion, "Trends, Problems and Procedures in Advertising Agency Credit and Recognition," led by W. A. Lightbody, manager, agency credits and accounts, *Chicago Tribune*, with Mrs. Hermine A. Fischer, credit manager, *Christian Science Monitor*, Boston, and Joseph Burg, credit manager, A.N.P.A., New York City.

"Show of Hands": questions on prepared blanks and from floor, on practices policies, forms, terms, equipment, personnel, suit procedures, charge-offs, etc., of newspapers, radio and TV stations. Results will be tabulated for distribution. Conducted by G. W. Sites, credit manager, *Los Angeles Times*, *Mirror*, and *Station KTTV*.

"Contrary Opinions": debate led by A. L. Podrasnik, credit manager, *Chicago Sun-Times*, and G. S. Pasquier, credit manager, *Shreveport (La.) Times*, with others to be announced.

Discussion by "veterans" of Group on "Glimpses into the Past and Future."

Advertising Media Headquarters: room 336, Rice hotel, May 11 through 14.

Automotive

Workshop Seminar introduced by Chairman Kathryn M. Sirc, Edgar A. Brown, Inc., Cleveland. Attendance grouped around nine tables for discussion of individual subjects, each with own table chairman. Moderator: W. P. Durham, district credit manager, Firestone Tire & Rubber Co., Houston.

Subjects: (1) "Terms of Sale—Method of Enforcement—Discount Abuses—How Treated"; (2) "Determining Credit Risks without Financial Statements, Balance Sheets, Operating Statements—Credit Ratios"; (3) "Credit Controls—Methods Used—How Controlled in Branch Store Operations"; (4) "Collection Methods and Procedures—Psychology of Collection Letters—Collection Agencies"; (5) "Adjustments—Extensions—Bankruptcy and Commercial Law"; (6) "Methods of Financing and Securing Accounts—Factoring, Guaranties, etc."; (7) "Systems of Accounts Receivable Bookkeeping—The Mailing of Monthly Statements, etc."; (8) "The Value of Participation in Industry Credit Groups"; (9) Miscellaneous discussion, with the following suggested topics: "Sources of Credit Information," "Sales and Credit Department Cooperation," "Ways and Means to Help Distressed Debtor and Safeguard Creditor Interests," "The Credit Executive—His Duties, Qualifications."

Brief reports by table chairmen, followed by general discussion led by moderator.

Final morning session: talk on "Your Dealer's Welfare" by speaker to be announced. Followed by question and answer period.

Industry luncheon, 12:30 p.m.

Afternoon speakers and topics: "Current Outlook of the Automotive Replacement Parts Industry," W. E. Imhoff, vice president, McCord Corp., Detroit, Mich.; "World War II Compared with Present Day Defense Requirements and the Effects on the Automotive Industry," F. R. Somers, vice president, Willard Storage Battery Co., Cleveland;



"Selling," Milton M. Somers, general sales manager, Fram Corp., Providence, R. I. General discussion following each address.

Bankers

Morning program: address of welcome by H. R. Eldridge, vice president and cashier, First National Bank in Houston, and president of Texas Chapter of Robert Morris Associates, arrangers of program.

"Training Credit Personnel," E. L. Worstall, vice president, Philadelphia National Bank, and first vice president of Robert Morris Associates.

"Thumbnail History and Purposes of the Robert Morris Associates," B. F. Barnett, Commercial National Bank, Shreveport, La., and president, Robert Morris Associates.

Address (subject to be announced): L. T. Knier, executive manager, Robert Morris Associates, Philadelphia.

Business session, reports of Robert Morris Associates, election of officers and directors, Texas Chapter.

Industry luncheon, 12:30 p.m.

Afternoon session: address by B. F. Barnett, president, Commercial National Bank, Shreveport, on subject to be announced. Q. and A. period.

"What Is America's Objective—Freedom or International Peace?," W. M. Casey, owner-operator, Crosby hotel, Beaumont, Texas. Question period.

Boat trip down Houston ship channel, inspection of turning base. Tour of San Jacinto Battlegrounds, visit to Battleship Texas and San Jacinto Monument. Dinner at San Jacinto Inn. (Boat trip and dinner not included in N.A.C.M.

Convention registration fee—charge to be announced. Boat space limited; make advance reservations of W. W. Webb, secretary - treasurer, Texas Chapter, Robert Morris Associates, City National Bank, Houston, Texas. All bankers and their wives invited whether or not members of Robert Morris Associates.)

Brewers, Distillers and Liquor Wholesalers

Open forum discussions on "Taxes as They Affect Our Customers," "Credit Loss Ratio," "Internal Credit Policy and Application," "How Can We Attain Closer Cooperation Between Brewers and Wholesale Liquor Distributors?," "How Do You Handle Returned Checks?," "What Is the Advantage of Attending Industry Credit Group Meeting—Both Local and National?," "Closer Cooperation between Sales and Credit Departments—Are We Striving To Attain This?," "Does Destructive Competition, Such as Loss Leaders, Benefit the Wholesalers and Retailers?," "What Are We Doing To Keep the Goodwill of Our Customers—Past and Future?," "Closer Coordination of Credit Group with Bankers in Curbing Worthless Checks," "What Information Do You Obtain on Opening New Accounts—Financial Statements, Trade Reports, Credit Interchange Reports, etc.?", "Do State Regulations Improve or Impair Credit Conditions—Differences between State Regulations Covering Terms of Credit on Liquor and Beer Sales."

Question and answer period, "What's Your Problem?," all delegates invited to participate.

Industry luncheon 12:30 p.m.

Building Material and Construction

Morning session: address, "Federal Regulations in The Financing of Federal Projects," by J. D. Colclough, business economist, Federal Reserve Bank, Dallas, Texas. Open forums and panel discussions under four headings. "Manufacturers": leader, E. S. Johnson, Southern States Iron Roofing Co., Savannah, Ga. "Carload Wholesalers," and "Jobbers": to be announced. "Other classifications": W. C. Williams, Gordon MacBeath Hardwood Co., Oakland, Calif.

Afternoon session: address, "Assignments, Bankruptcies and Liquidations," Morris D. Meyer, attorney, Houston. Panel discussion leaders: W. H. Cook, Concrete Steel Corp., Detroit, Mich.; R. L. Moore, Mosher Steel Co., Houston; A. F. O. Pfeiffer, Celotex Corp., Chicago, Ill. Subjects: "What To Do about Selling Borderline Accounts," "Handling of Unpaid Checks," "On What Basis To Set Credit Limits," "Methods of Reducing Old Debts While Selling Currently," "Can Salesmen Be

Used Successfully in Collecting Accounts?" "Any New Ideas to Prevent Taking of Unearned Discounts?" General discussion of each subject
Industry luncheon 12:30 p.m.

Cement

Elliot Balestier, Jr., New York, executive secretary, will introduce Cement Credit Division's joint groups meeting.

Discussions, to be announced, will cover wide range of subjects on current problems of vital interest to credit executives.

Chemical

Morning session: Presiding, Vice Chairman J. C. Lynch, Pacific Coast Borax Co., New York City.

Address: W. R. Dunn, general credit manager, General Foods Corp., New York City, on "What Does Top Management Expect from the Credit Department?"

Panel discussion leaders and subjects: G. F. Wingard, Monsanto Chemical Co., St. Louis, on "How Taxes Further Complicate Credit Decisions Today"; H. J. Gavigan, Dow Chemical Co., Pittsburg, Calif., "Cooperation with and from the Sales Department"; J. C. Lynch, Pacific Coast Borax Co., New York City, on "Collection Procedures"; J. C. Hajduk, Victor Chemical Co., Chicago, "Policies Concerning Returnable Containers."

Afternoon session: Presiding, Vice Chairman J. W. Burns, Van Waters & Rogers, Inc., Dallas.

Address and speaker to be announced.

Workshop forum. Discussion leaders: R. G. Keyes, Mathieson Chemical Corp., Baltimore; L. Candee, L. Sonneborn Sons, Inc., New York City; E. B. Smith, U. S. Industrial Chemicals Co., New York City; E. P. Utter, Witco Chemical Co., New York City. Discussion subjects: "Handling Orders on New Accounts," "Maintaining Credit Files," "Personal Calls by Credit Manager," "How Far to Go in Demanding Financial Statements," "Are Present Credit Policies of Our Industry Sound?" "Setting Credit Limits—How and Why?" "New Methods and Ideas in Credit Procedures," "Credit Department Personnel Training," "Outlook for Balance of 1952."

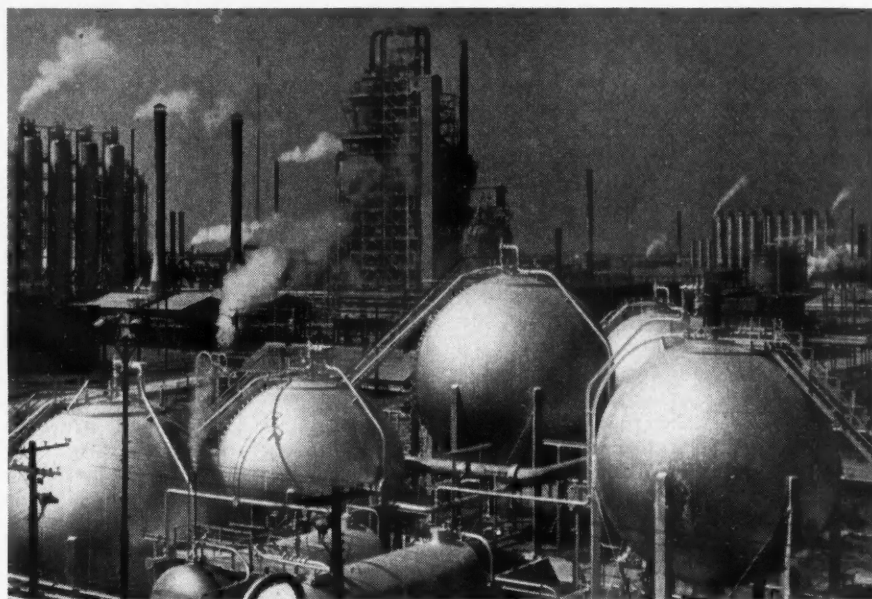
Industry luncheon 12:30 p.m. Presiding, E. P. Utter, Witco Chemical Co., New York City.

Confectionery Manufacturers

Morning session: joint meeting with Food Products and Allied Lines Manufacturers Industry. Chairman W. F. Pretzel, Bunte Bros., Chicago, for Confectionery Manufacturers and J. A. Monier, Jr., Wesson Oil & Snowdrift Sales Co., New Orleans, for Food Products and Allied Line Manufacturers.

Opening feature: address on "Impact of the National Defense Program on the Food Industry," speaker to be announced.

Panel discussion leaders and subjects: R. L. Allen, D. Ghirardelli Co., San



HUMBLE OIL'S BAYTOWN REFINERY, A MAZE OF STEEL

Francisco, on "Aspects of the Robinson-Patman Act Pertaining to the Credit Executive;" C. B. Harrison, credit manager, Bird's-Eye Division, General Foods Corp., New York City, "Ratios—Which Are Important And Why?"; C. V. Cox, credit manager, A. E. Staley Manufacturing Co., Decatur, Ill., on "Setting Credit Limits—How and Why?"; A. H. Mader, general credit manager, American Chicle Co., New York City, "Ledgeless Accounts Receivable."

After Joint Industry luncheon, at 12:30 p.m., each industry will conduct its own afternoon session.

Afternoon program of Confectionery Manufacturers: Workshop forum, with Miss Mildred McCall, credit manager of Walter H. Johnson Candy Co., Chicago, as moderator, and panel members to be announced, and general discussion.

Subjects: "Cooperatives—What Is Their Future?", "Super Markets—Growth and Impact of Direct Buying on Local Wholesale Grocers and Jobbers," "Repackers—Their Place in Distribution," "Setting Credit Limits—How and Why?", "New Ideas in Credit Department Procedure," "Training Credit Department Personnel," "Insolvencies—How Can We Salvage More out of Accounts in Financial Difficulties," "What Is the Value of Credit Insurance?", "Improper Mercantile Ratings—What To Do About Them," "N.S.F. Checks—What Methods Have Been Found to Be Most Effective in Processing?", "The Credit Side of Selling," "The 1952-53 Credit Outlook."

Drugs, Cosmetics and Pharmaceuticals

Addresses and panel discussions arranged by Chairman W. L. Cribbs, Southwestern Drug Corp., Houston.

"The Credit Side of Selling," T. A. Lambert, president, San Antonio Drug Co., San Antonio, Texas, immediate past president of N.W.D.A.

"Some Relationships between Manufacturers, Wholesalers and Retailers in the Drug Distribution Field," W. N.

Kuntz, Jr., vice president and general manager, Southwestern Drug Corp., Houston.

Morning panel discussion moderator W. A. Lange, customer relations department, Yahr-Lange, Inc., Milwaukee, Wis., with R. M. Rancier, credit manager, Southwestern Drug Corp., Dallas; P. G. Carter, treasurer, Owens & Minor Drug Co., Richmond, Va.; R. Collins, general credit manager, E. R. Squibb & Sons, Long Island City, N.Y.; E. T. Carlson, credit manager, Johnson & Johnson, Chicago.

Subjects: "A Credit Man's Responsibility in Obtaining and Developing New Business," "Increasing Number of N.S.F. Checks and the Lethargic Attitude of Drawers—Policy in Handling," "High Attorney Fees for Collection—(a) Special Fees Requested before Work Is Done—(b) General High Fees," "Trend in the Drug Field to Pressure Manufacturers and Distributors to Extend Sales Terms to Permit Selling a Substantial Portion of the Goods before the Discount Expires," "Mortality of New Drug Store Operations," "Trend toward Drug Chains Replacing Individually Owned Single Stores," "Supermarket Drug Racks and Their Effect on Retail Drug Stores," "Implications in Present Contract of United Cigar Whelan," "How to Train Credit Men on Their Job," "Handling the Credit Interview," "Functions of the Credit Interview," "Interchange of Credit Experience, Particularly on New Accounts (Out of Town)," "What Is the Outlook for the Drug Industry for the Coming Year?"

Afternoon panel discussion moderator, W. T. Carroll, credit manager, McKesson & Robbins, Inc., Dallas, with E. W. December, assistant secretary and credit manager, San Antonio Drug Co., San Antonio; Dan Weber, credit manager, Davis Bros., Inc., Denver; J. W. Roberts, credit manager, Vick Chemical Co., Wilmington, and fourth member to be announced.

Subjects: "Special Credit Depart-

All Are Invited to Join In Open Forums

ment Problems," "Use of Financial Statements in Extension of Credit and Their Limitations," "How Can We Best Educate Customers to Use Their Banks for Financial Assistance?," "The Danger in Selling Marginal Risks to Increase Sales, and the Problems Involved," "Should Salesmen Be Used As Collectors?," "Methods of Reducing An Old Account While Selling Currently—Any New Ideas?," "Unearned Discounts—How Treated," "Collection of Delinquent Accounts—How It Is Done," "Collection Letters and Their Results on Past Dues," "What Can the Credit Man Do to Help Customer Avoid Bankruptcy?," "Creating Sales Volume through Constructive Credit Practice," "Handling Customers' Complaints."

Industry luncheon 12:30 p.m.

Electrical and Radio Manufacturers

Morning session: Chairman R. M. Wilder, Pass & Seymour, Inc., Syracuse, N.Y., in charge. Question and answer period after each address.

Address: E. M. Kroening, Allen Bradley Co., Milwaukee, Wis., on "Salesmen as Assistant Credit Managers—Training the Salesmen—Cooperation with Salesmen."

Donald Shaw, Howard Sams Co., Indianapolis, Ind., on "Overdue Accounts In Expanding Economy."

P. J. Wilder, Century Electric Co., St. Louis, on "Field Warehouse Loans."

Address, by speaker to be announced on "Special Collection Helps—Enforcing Terms of Sale—Information from Customers—Collection Department Program."

Afternoon session: Vice Chairman W. E. Gallagher, Bussman Mfg. Co., St. Louis, in charge.

General period on these subjects: "Handling New Accounts," "Use of Reporting Agencies," and "Internal Credit Department Operations," leader, J. A. Flanigan, Bull Dog Electric Products Co., Detroit, Mich.

Discussion of "Credit Department Meetings," led by C. W. Pritchard, Stromberg-Carlson Co., Rochester, N.Y., and W. C. Hall, Sylvania Electric Products, Inc., Salem, Mass.

Address: Earl E. Diehl, Westinghouse Electric Corp., Chicago, on "Financing Government Contracts."

Joint luncheon of Electrical and Radio Manufacturers with Electrical and Radio Wholesalers. Speaker: Morris Frank, humorist and columnist, *Houston Chronicle*.

Electrical and Radio Wholesalers

Morning session: address and panel discussion arranged by Chairman L. T. Shearer, Readers Wholesale Distributors, Inc., Houston, and committee.

Address: A. C. Armstrong, vice

president, The Mercantile National Bank, Dallas, on "Use Your Banker."

Panel discussion of "The Three 'S's' of Credit." Subjects and leaders: "Sales," Fred Dexter, president, Fred Dexter Associates, Inc., Houston; "Service," V. G. Sheffield, tax specialist and member of executive staff, Alwin Adam & Co., certified public accountants, Houston; "Statistics," G. E. Lawrence, secretary manager, Dallas Wholesale Credit Managers Association.

Afternoon address by Bennett Patterson, of Cole, Patterson, Cole and McDaniel, Houston, on "Legality of Contracts and Liens."

Open forum on "Credit Limits," "Government Contract Requirements," "Bad Checks," "The C.O.D. Account,"

Fifty years ago some people insisted the automobile could never take the place of the horse, and today there are a few hamburger manufacturers who think they can prove it.

—Advertising Age

"Borderline Cases," "Personal Contacts," "Reporting Services," "Past Dues and Future Business," "Are Salesmen Collectors?," "Unjust Claims and Unauthorized Deductions," "Unearned Discounts," "Obtaining Financial Statements Directly with Regularity," "The Unprofitable Account," "Are Special Terms the Answer to Increased Sales?."

Joint luncheon at 12:30 p.m., of Electrical and Radio Wholesalers with Electrical and Radio Manufacturers. Speaker: Morris Frank, humorist and columnist, *Houston Chronicle*.

Floor Coverings and Furniture

Morning session: two formal addresses; afternoon, one address and panel discussion. Q. and A. period after each address.

Addresses: "Your Credit and Collection Activities," L. H. Juengling, secretary and assistant treasurer, Sheffield Steel Corp., Houston; "Value of Human Relations and Goodwill Builders," J. C. Taylor, University of Houston; third address by J. H. McFarland, vice president and director of marketing, James Lees & Sons Co., Bridgeport, Pa., subject to be announced.

Panel discussion subjects: "Ethics and Policies in Credit Management," "Supervision under Centralized Credit Control," "Differences in Credit Policies and Practices in Various Sections of The United States," "Management Tie-In with Credit Department Activities," "Credit Department Personnel Training," "Selling Borderline Accounts

through Credit Limits or Guides." Delegates invited to participate and submit additional subjects.

Industry luncheon 12:30 p.m.

Food Products and Allied Lines Manufacturers

Morning program jointly with Confectionery Manufacturers. Afternoon sessions separate.

Address: "Impact of the National Defense Program on the Food Industry," speaker to be announced.

Panel discussion leaders and subjects: R. L. Allen, D. Ghirardelli Co., San Francisco; "Aspects of the Robinson-Patman Act Pertaining to the Credit Executive," C. B. Harrison, credit manager, Bird's-Eye Division, General Foods Corp., New York City, "Ratios—Which Are Important and Why?"; C. V. Cox, credit manager, A. E. Staley Mfg. Co., Decatur, Ill., "Setting Credit Limits—How and Why?"; A. H. Mader, general credit manager, American Chicle Co., New York City, "Ledgerless Accounts Receivable."

Joint luncheon, 12:30 p.m.

Afternoon program of Food Products and Allied Lines Manufacturers.

Talk on "One Year of Price Stabilization—Its Effect on The Operation of The Food Trade," speaker to be announced.

Open forum: moderator, G. E. Brister, division credit manager, American Sugar Refining Co., New Orleans; members, D. W. Earl, credit manager, Thomas J. Lipton, Inc., Hoboken, N.J.; T. J. Lyon, credit manager, Kellogg Sales Co., Battle Creek, Mich.; J. F. Matthews, credit manager, Carnation Co., Los Angeles; J. W. Sattazahn, credit manager, Scott Paper Co., Chester, Pa.

Subjects of open forum: "The Outlook for the Small Wholesaler—From the Manufacturers' Viewpoint;" "Co-operatives—What Is Their Future—From the Manufacturers' Viewpoint;" "Super Markets—Their Growth and the Impact of Their Direct Buying Power on the Wholesale Grocery Trade;" "The Credit Outlook for 1952-53."

Food Products Wholesalers and Meat Packers

Joint meeting with Food Products Wholesalers. Co-chairmen, C. C. Heitman, Armour & Co., Fort Worth, Texas, and Leonard Morris, Carnation Co., Houston.

Morning address: G. E. Brister, general credit manager, American Sugar Refining Co., New Orleans, on "The Credit Man of the Future." Afternoon address: "Deep in the Heart of Taxes," J. E. Walsh, Oscar Mayer & Co., Chicago.

Q. and A. period after each presentation.

Morning and afternoon panel discussions, on "What Is the Best Yardstick for Determining Credit and Collection



OFFICERS AND MEMBERS of the board of the Credit Association of Western Pennsylvania, flashed at a meeting in Pittsburgh.

Back row (l to r): A. G. Keller, assistant vice president, Mellon National Bank & Trust Co., and a director of N.A.C.M.; C. T. Zinsmeister, secretary, United Engineering & Foundry Co.; E. R. Johnston, credit manager, West Penn Power Co.; S. H. Patterson, assistant vice president, Peoples First National Bank & Trust Co.; Anne E. Blazer, credit and office manager, Land O'Lakes Creameries, Inc.; H. J. Yost, secretary, Yost Produce Co., Inc.; R. W. Hyde, treasurer, United States Steel Co.; J. S. Smith, assistant secretary and assistant treasurer, Westinghouse Air Brake Co.; R. S. Thompson, treasurer, Houston-Starr Co.

Front row, seated, reading from the left: W. G. Burkhard, credit manager, Johnstown Sanitary Dairy Co.; M. V. Johnston, acting general credit manager Gulf Oil Corp., and

treasurer, Western Pennsylvania association; D. R. Meredith, the association's secretary and executive manager; J. S. Nichol, vice president and treasurer, Harris Pump & Supply Co., and association president; J. H. Donovan, assistant treasurer Jones & Laughlin Steel Corp., and vice president of the association; T. D. Sheriff, credit manager, Hamburg Bros. and association vice president.

Not shown in the picture are M. J. Chesmar, secretary-treasurer, Hubbard & Co.; Walter Churchill, secretary-treasurer, Williams & Co., Inc.; G. F. Cronmiller, Jr., vice president and secretary, Harbison-Walker Refractories Co.; and J. B. Mensing, assistant treasurer and general credit manager, The National Supply Co.

Efficiency?" "Selling Marginal Accounts Safely," "Are the Present Credit Policies of Our Industry Sound?" etc.

Concluding afternoon panel topic, "What Is Your Problem?", inviting questions from floor.

Hardware Manufacturers

Morning session opening feature: "Information Please," general forecast discussion of vital questions of business economy, with poll of Group, arranged by Chairman G. M. Layne, Mid-States Steel & Wire Co., Crawfordsville, Ind., and committee members.

Address: "The Credit Department from the Sales Managers' Viewpoint," B. R. Scheff, general sales manager, Wright Mfg. Co., Houston, followed by general discussion.

Afternoon panel: moderator, R. B. Payne, National Screw & Mfg. Co., Cleveland, with William Bready, Schlage Lock Co., San Francisco; W. R. Haaving, Stronghold Screw Products, Inc., Chicago; and N. C. Munger, Jr., Bering-Cortes Hardware Co., Houston.

Two panel subjects: (1) "The Effect of Manufacturers' Receivables Caused by One or a Combination of Four Factors Now Present."

(2) "What Are Your Regular Terms of Sale to Jobbers and Retailers, and Do You Deviate from Them?"

Joint luncheon at 12:30 p.m. of Hardware Manufacturers, Hardware Wholesalers and Paint, Varnish, Lacquer and Wallpaper Industries. Speaker: Dr. A. A. Smith, economist and vice president, First National Bank of Dallas, on "The Business Outlook."

Hardware Wholesalers

Morning session conducted by Chairman E. O. Ploeger, F. W. Heitmann Co., Houston; afternoon session by Vice

Chairman Miss Marion Wills, Bering-Cortes Hardware Co., Houston.

Four formal addresses: "Coordination of Sales and Credit Departments," L. L. Nelms, president, Wessendorf, Nelms & Co., Houston; "Financial Statements," C. G. Knoerzer, vice president, Republic National Bank, Dallas; "Collection Procedure—Personal, by Letter, by Salesmen," J. W. Kilpatrick, T. W. Lopp Insurance Co., Houston; "How Can We Educate Dealers to Use Their Banks for Extra or Emergency Financing instead of Depending on the Wholesaler to Carry Them?" speaker to be announced. Q. and A. period after each.

Open forum discussion on such problems as "Should Interest Be Charged on Past Due Accounts?" "How to Handle Cash Discount Deductions on Late Payments," "How Are Average Days Outstanding Figured?" "Would You Recommend Cycle or Split-Month Billing?" Q. and A. period.

Joint luncheon 12:30 p.m. of Hardware Manufacturers, Hardware Wholesalers and Paint, Varnish, Lacquer and Wallpaper Industries. Speaker: Dr. A. A. Smith, economist and vice president, First National Bank of Dallas, on "The Business Outlook."

Insurance

Opening program: luncheon, with H. J. Lowry, Michigan Mutual Liability Co., Detroit, Mich., as chairman. Speaker: Dr. A. A. Smith, economist and vice-president, First National Bank of Dallas.

Afternoon programs:

Panel discussion: "Insurance as a Factor in Credit Appraisal," with A. J. Hand, U. S. Fidelity & Guaranty Co., New York City; John Gray, Phoenix Insurance Co., Hartford; and Don

Campbell, Continental Insurance Company of N. Y., Chicago.

Panel discussion: "Cooperating with the Credit Executive in Determining Business Wrecking Hazards," with Ralph Brown, Marsh & McLennan, Inc., St. Louis; George G. Traver, National Board of Fire Underwriters, New York City; and J. W. Phillips, Aetna Casualty & Surety Co., San Francisco.

Robert S. Whitmore, Bayly, Martin & Fay, Inc., Los Angeles, will review his new book, "Your Insurance Program."

General discussion and development of educational program of insurance for the credit executive and credit associations, led by David Q. Cohen, Association of Casualty and Surety Companies, New York City; L. A. Fitzgerald, American Mutual Alliance, Chicago; R. A. Wilder, American Credit Indemnity Co., Houston, and E. A. Luther, National Surety Corporation, Chicago.

Iron & Steel, Non-ferrous Metals Raw Materials and Allied Lines

Morning session: address of welcome by L. H. Juengling, secretary and assistant treasurer, Sheffield Steel Corp., Houston.

Address on "V-Loans" by T. W. Johnson, vice president, Security First National Bank, Los Angeles. Discussion leader: R. A. Nunlist, credit manager, Armco Steel Corp., Middletown, Ohio.

Address: "Production Controls and the 1952 Economy," W. C. Truppner, assistant administrator, Production and Distribution Administration, Washington, D.C. Discussion leader: O. B. Tearney, manager of credits and corporate insurance, Inland Steel Co., Chicago.

Afternoon session: address and panel discussion.

Address: "Government, Business and



THE SECRETARIAL COUNCIL planning the program for the Annual Conference of Association Secretary-Managers to be held at the Shamrock Hotel, Houston, Texas, May 8, 9 and 10, preceding the 56th Annual Credit Congress and N. A. C. M. Convention. In the picture (l to r): George J. Lochner, chairman of the council and secretary of the Baltimore Association of Credit Men; Dudley R. Meredith, vice chairman, Eastern Division, and secretary of the Credit Association of Western Pennsylvania, Pittsburgh; H. S. Garness, vice chairman, Central Division, and secretary of the Milwaukee Association of Credit Men, and Kenneth C. Bugbee, vice chairman, Western Division, and secretary of the Wholesale Credit Association of Oakland, Calif.

Our Changing Economy," Dr. E. H. Hughes, dean, college of business administration, University of Houston. Discussion leader: G. B. Kay, credit manager, Federated Metals Division, American Smelting & Refining Co., Los Angeles.

Panel discussion: moderator, L. K. Morse, credit manager, Bridgeport Brass Co., Bridgeport, Conn., with A. E. Cleere, vice president and controller, First National Bank, Houston; S. W. Gilbert, credit manager, Jones & Laughlin Steel Corp., New Orleans; G. Purvis, treasurer, Atlantic Steel Co., Atlanta, Ga.

Industry luncheon 12:30 p.m.

Machinery and Supplies

Three formal talks and open forum, scheduled by Chairman Hobe Wilson, Jimmy Miller Machinery & Supply Co., Houston, and committee.

"Public Relations In Credits," J. I. Stang, Foote Bros. Gear & Machine Co., Chicago. Discussion leader, Herbert Howard, Oliver H. Van Horn Co., Inc., Houston.

"Should Salesmen Be Used As Collectors—What About Collection Letters—New Methods and Ideas In Credit Procedures—Credit Manager's Relations With Sales Department," R. E. Greenwell, Texas Co., Houston. Discussion leader, Miss Lorine Kuerz, Te-Co Inc., St. Louis.

"What the Credit Executive Contributes to Management," V. A. Bingham, MacWhyte Co., Kenosha, Wis. Discussion leader, A. F. Huger, Jr., August F. Huger & Son, Inc., Houston.

Open forum discussion leaders: A. D. Hildreth, Plowden Supply Co., Houston, and J. H. Rudy, Briggs-Weaver Machinery Co., Dallas. Subjects: "The Credit Outlook for 1952-53;" "Conditional Sales Contracts, Bonds, Mechanic's Liens;" "Bad Debt Losses and Means of Controlling Them;" "Policy Regarding Cash Discounts and Enforcement;" "Danger of Selling Marginal Accounts to Increase Sales."

Industry luncheon.

Oil Field Services and Supplies

Opening address by W. L. Baker, editor, *World Oil*, Houston, on "Domestic and Foreign Oil Trends."

Address: "Oil Loans," E. O. Buck, vice president, National Bank of Commerce, Houston.

Q. and A. periods after addresses.

Two panel discussions, each followed by open forum.

First panel discussion: "Credit Problems in the Oil Field;" moderator, H. L. Richardson, Schlumberger Well Surveying Corp., Houston. Clint Roberts, Halliburton Oil Well Cementing Co., Duncan, Okla., on "Unsecured Credit;" A. L. Wallace, National Supply Co., Houston, on "Secured Credit;" L. M. Tidd, Black, Sivalls & Bryson, Inc., Oklahoma City, on "Legal Viewpoints."

Second panel discussion: "Oil Field Collection Problems;" moderator, W. A. McMullen, Bethlehem Supply Co., Los Angeles. "Methods of Collection," P. M. Terrill, Lane-Wells Co., Houston; "Customer Relations," C. L. Vickers, Continental Supply Co., Dallas; "Legal Viewpoints," Wood Taylor, Schlum-

berger Well Surveying Corp., Houston. Film presentation, "Deep Production in West Texas," opens afternoon program.

Industry luncheon 12:30 p.m.

Paint, Varnish, Lacquer and Wallpaper

Morning session: addresses, Q. and A. periods and open forum.

Address, T. W. Mohle, president, T. W. Mohle & Co., Houston, on "Effect of Today's Taxes on Credit Standing of Small Business Firms."

Address, "The Wherry Act—Federal Contracts Not Bonded," R. C. Cole, of Cole, Patterson, Cole & McDaniel, Houston.

Open forum topics: "Interest on Delinquent Accounts," "Cooperation between Sales and Credit Department," "Better Public Relations for the Credit Department."

Afternoon address: T. H. Nelson, of Rogers, Slade & Hill, New York City, on "The Credit Manager as He Fits into the Overall Management Function of Business." Q. and A. period.

Panel discussion on three classifications of credit in the industry: "Granting Credit to Dealers," Karla Howe Jack, president, Great Lakes Paint and Varnish Co., Chicago; "Granting Credit to Painters" and "Granting Credit to Consumers" (speakers to be announced). Discussions will cover "Sources of Credit Information," "How to Judge Risk," "What To Look Out For," "Credit Limits," "Best Ways to Collect."

General discussion period on "What's on Your Mind?"

Joint luncheon of Paint, Varnish, Lacquer and Wallpaper, Hardware Manufacturers and Hardware Wholesalers at 12:30 p.m. Speaker: Dr. A. A. Smith, economist and vice president, First National Bank of Dallas, on "The Business Outlook."

Paper Products and Converters and Fine Paper

Morning program: address and panel discussion; afternoon, address and open forum.

Morning address by E. W. Below, Marathon Corp., Menasha, Wis., on "Paper Industry—Where To?" Q. and A. period.

Six subjects and speakers on morning panel: "What Makes a Good Credit Executive Click?," Mrs. Harriet Silvers, Graphic Arts Corp. of Ohio, Toledo; "How, Why and When to Secure Financial Statements," John Mueller, Carpenter Paper Co., Omaha, Neb.; "Determining Credit Risks without Financial Statements," C. W. Hess, Seaman Patrick Paper Co., Detroit, Mich.; "Psychology of Credit Letters and Use of Collection Letters," M. J. Wied, Newhouse Paper Co., Minneapolis, Minn.; "The Role of the Credit Executive in Sales and Sales Promotion Activities," A. G. Mader, Cleveland Paper Co., Cleveland, Ohio; "Collection Methods and Procedures," W. M. Dillon, Dwight

Oakland Zebras Sponsor Credit Conference



THE MEMBERS of the "Bankruptcy" panel and Credit Conference: (l. to r.) John Costello, bankruptcy trustee in Oakland, Calif.; James M. Conners, attorney and chief counsel for the San Francisco Board of Trade; Arthur Shapro, senior member of law firm of Shapro & Rothschild, San Francisco; Bernard J. Abbott, referee in bankruptcy, Oakland; Kenneth C. Bugbee, secretary-manager, Wholesale Credit Association, Oakland, and moderator for the conference; A. P. Lorentzen, credit manager, Automotive Engine Rebuilders and Superzeb of the Oakland Zebras; C. E. Grubler, vice president, Bank of America in Oakland, and vice president of the Wholesale Credit Association; and George T. Stockfleth, assistant secretary and assistant

treasurer, California Wire Cloth Corp., director of the National Association of Credit Men and past president of the Wholesale Credit Association of Oakland.

Second of the conferences sponsored by the Oakland Herd, the meeting was conducted as a question and answer session, in two periods. In the first, the panel provided succinct answers to queries sent to the wholesalers' association and the committee. The second hour was given to questions from the floor. On Mr. Lorentzen's committee were Art Woodworth and Wes Williams. Attesting the immediate success of the conference was the addition of two members to the association.

Bros. Paper Co., Chicago. General discussion.

Afternoon address by L. F. Van Stone, vice president and sales manager, Uncle Johnny Mills, Houston. Q. and A. period.

Open forum on "Business Conditions Affecting Our Customers and What We See Ahead for the Next Six Months." Moderator, V. S. Ames, Kimberly-Clark Corp., Neenah, Wis., with E. A. Gustafson, Atlas Boxmakers, Inc., Chicago; F. C. Heath, Sealright Co., Inc., Fulton, N.Y.; G. H. Heidemann, F. J. Schleicher Paper Box Co., St. Louis, Mo.; M. W. Mallin, Milprint, Inc., Milwaukee, Wis. Industry luncheon 12:30 p.m.

Petroleum

Open forum and panel discussions, with one formal address, arranged by Chairman F. R. Springer, Humble Oil & Refining Co., Houston and committee in conformity with desires of majority of petroleum industry.

Morning panel discussions on two subjects, "Credit Department Personnel Training," led by F. M. Whitehill, Gulf Oil Corp., Houston; "Jobber and Dealer Credit Assistance," D. A. Grant, Socony-Vacuum Oil Co., Chicago, leader.

Afternoon panel discussion on "New Credit Card Systems," led by M. V. Johnston, Gulf Oil Corp., Pittsburgh; and "Equipment Conversion to L.P.G.," H. E. Butcher, Cities Service Oil Co., Chicago.

Formal talk: "Public and Employee Relations," J. B. Freeman, Texas Co., Houston. Q. and A. period.

"Roundup"—general discussion period. Leader, F. O. Dietlein, Shell Oil Co., Atlanta. Topics: "Farm Credits," "Motor Carriers," "Credit Cards," "Marine Sales," "General." Time al-

lowed for open discussion of additional subjects.

Industry luncheon.

Plumbing, Heating, Refrigeration and Air Conditioning

Two formal talks, general discussions and shop talk forums, announced by Chairman Y. D. Early, Jahns Supply Co., Fort Worth.

Opening address: "Forecast of Credit Problems for the Industry in 1952," C. W. Dittmar, Crane Co., Chicago. Q. and A. period.

"Government Business and Our Changing Economy," Dr. E. H. Hughes, University of Houston. Q. and A. period.

Two subjects for open forum discussion: "How Will Shortage of Essential Materials in Our Industry Affect Us in the Credit Department?" led by R. O. Bair, treasurer, York Corp., St. Louis; and "Financial Statements," A. E. Poth, Mercantile Trust Co., St. Louis; discussion to include, "X-Raying the Balance Sheet," "Danger Signals," "Spotting the Weak Points," "When Is Failure Likely, and Why?"

Shoptalk forum, with following panel and discussion leaders: Tyler Harrison, Mosher Steel Co., Dallas; J. H. Donovan, Jones & Laughlin Steel Corp., Pittsburgh; T. A. Shaw, Modern Appliance & Supply Co., Inc., New Orleans; and A. R. Dahms, A. O. Smith Corp., Milwaukee, Wis.

Shoptalk subjects: "To What Extent Is Credit Appraisal Made on Accounts in the Absence of Financial Details?," "To What Extent Does the Sales Department Cooperate in Furnishing Financial Details and Assisting With Collection?," "Is the Credit Department Represented at Sales Conferences and

Fully Advised on Sales Policies?," "The Credit Man's Problems in the Handling of Special Sales Campaigns," "Is Final Refusal of an Order Left to the Discretion of the Credit Department?," "How Can Credit Lines Be Maintained in Connection with Sales to the Small Plumbing and Heating Contractor?," "How Can the Manufacturer of Heating and Cooling Equipment Minimize Credit Losses in Connection with Sales of Equipment Destined for the Speculative Builder Market?," "What Is the Basis or Method Used in Establishing Credit Limits with Your Customers?," "What Method Is Used and to What Extent Are Credit Files Maintained and Kept Current?" and "Increasing Credit Department Efficiency and Training Personnel."

Industry luncheon 12:30 p.m.

Public Utilities

Program arranged by Chairman T. J. Peterson, Detroit Edison Co., and planning committee headed by R. E. Bachus, Cincinnati Gas & Electric Co.

Monday afternoon: Mr. Peterson presiding. Welcome by J. H. Wimberley, executive vice president, Houston Natural Gas Corp.

Address: "Collections by Telephone," F. J. Maguire, Boston Consolidated Gas Co. and east district representative on Industry Committee.

Address: "Clues to Outstanding Current Writings for Credit and Financial Management Men," O. J. Vosbrink, Union Electric Co., St. Louis.

Tuesday morning, Mr. Bachus presiding:

Two addresses: "A Look at Electric Utilities in Texas," G. L. MacGregor, president, general manager and board chairman, Dallas Power & Light Co.,

and "Procedure Charting as Applied to Collections," Walter Ott, Cincinnati Gas & Electric Co.

Afternoon session, E. R. Johnston, West Penn Power Co., Pittsburgh, vice chairman of planning committee, presiding:

Problem clinic: moderator, P. A. DuChesne, Houston, Natural Gas Corp., south district representative on indus-

try committee. Discussion leaders and subjects: C. W. Kroener, Southern Indiana Gas & Electric Co., Evansville, on "Shall We Add Collectors in the Face of Increased Uncollectibles?" F. J. Maguire, Boston Consolidated Gas Co., "Determining Credit on Merchandise Sales;" R. E. Bachus, Cincinnati Gas & Electric Co., on "What To Do about Subterfuge and Collusion

Cases;" C. L. Sullivan, Peoples Gas Light & Coke Co., Chicago, central district representative on industry committee, on "Collection Letters—Do They Have Whiskers?"; David Robertson, Detroit Edison Co., on "Customer Bill Payment Agency Practices;" E. H. Davies, Cleveland Electric Illuminating Co., "Credit Problems with Electric House Heating." Q. and A. period.

Industry luncheon 12:30 p.m. Speaker: M. B. Pigoot, secretary-treasurer, Houston Lighting & Power Co., on "Utility Financial Health and Public Goodwill."

COMING EVENTS ON ASSOCIATION CALENDARS

ATLANTA, GEORGIA

March 8-10

Annual Conference of Secretary-Managers, Eastern Division, N.A.C.M.

FARGO, NORTH DAKOTA

March 21-22

Annual North-Central Credit Conference of Credit and Financial Managers, comprising credit associations of Minnesota, North Dakota and South Dakota.

HOUSTON, TEXAS

May 8, 9, 10

National Conference of Secretary-Managers of Local Credit Associations

HOUSTON, TEXAS

May 11-15

56th Annual Credit Congress and N.A.C.M. Convention.

STANFORD UNIVERSITY

Palo Alto, California

July 6-19

Session of Graduate School of Credit and Financial Management

DARTMOUTH COLLEGE

Hanover, New Hampshire

August 3-16

Session of Graduate School of Credit and Financial Management

CHICAGO, ILLINOIS

October 12-15

American Petroleum Credit Conference of N.A.C.M.

CEDAR RAPIDS, IOWA

October 15-17

Tri-State Conference of Credit and Financial Managers, comprising Iowa, Nebraska and South Dakota

ST. LOUIS, MISSOURI

October 16-18

Annual Tri-State Conference of

Credit and Financial Managers comprising Missouri, Kansas and Oklahoma

ATLANTIC CITY, NEW JERSEY

October 16-19

Tri-State Conference of Credit Executives, comprising New Jersey, New York and Eastern Pennsylvania

KNOXVILLE, TENNESSEE

October 20-21

Annual South Eastern Credit Conference, covering Tennessee, North and South Carolina, Alabama, Georgia and Florida

CHICAGO, ILLINOIS

October 22

Annual Illinois Credit Conference

SPRINGFIELD, MASS.

October 22-23

Annual New England District Credit Conference, covering Connecticut, Rhode Island, Massachusetts, Maine, New Hampshire and Vermont.

YOUNGSTOWN, OHIO

October 24-25

Annual Ohio Valley Regional Credit Conference, covering Ohio, Western Pennsylvania and West Virginia.

KANSAS CITY, MO.

October 31, Nov. 1-2

Midwest Credit Women's Conference

EL PASO, TEXAS

November 7-9

Annual South Western Credit Conference, covering Louisiana, Texas and New Mexico

PORTLAND, OREGON

March 18-20, 1953

Pacific Northwest Credit Conference, covering Oregon, Washington and Idaho

Textile

Industry Breakfast at 8:30 a.m., innovation at industry meeting.

Extended discussion of current developments within textile industry will follow, with open forum on problems, and speakers to be announced.

This will be a half-day session, concluding at noon.

Wearing Apparel and Footwear

Two formal addresses, with major portion of program time allotted to open forum discussion of problems and subjects, including "Training of Credit Department Personnel," "Methods of Reducing Old Accounts While Selling Currently," "The Use and Abuse of Cash Discount," "Credit Limits—How to Establish Them," "The New Account Problem," "Outlook for 1952-53," "Charging Interest on Past Due Accounts," "Successful Methods of Developing Discounting Customers," "Can Salesmen Be Trained to Collect Efficiently?"

General discussion of topic, "What's Your Problem?", with all delegates invited to participate.

Address: Dr. Carl D. Smith, director, Credit Research Foundation, National Association of Credit Men, New York City, on "Sales and Credit Department Cooperation." Q. and A. period.

Address: A. C. Willburn, regional sales manager, Dun & Bradstreet, Dallas, on "The Effects of Current Economic and Political Conditions on Credit Problems during 1952." Q. and A. period.

Industry luncheon 12:30 p.m.

Fair Trade Bill Gets Backing

The National Wholesale Druggists Association, National Drug Trade Conference, and National Retail Hardware Association, and Senator Bourke B. Hickenlooper have joined the proponents of the McGuire bill, H.R. 5767, for implementation of voluntary Fair Trade laws, says the Bureau of Education on Fair Trade. But Congressman Emanuel Celler, in a letter to John W. Anderson, president of the American Fair Trade Council, called the measure approved by the House interstate and foreign commerce committee, a "hasty and ill-conceived" bill.

Fraud Cases Up 80 Per Cent, Fredell Tells Food Conference

The main job in fraud prevention is being done by the credit man, but "the facts do not justify the complacency of those who say the job is being done so well that there is not so much need of fraud prevention work today," John C. Fredell, Jr., director of the Fraud Prevention Bureau of the National Association of Credit Men, told the thirteenth annual Midwest Credit Conference of Food Manufacturers and Allied Lines, in Chicago.

Mr. Fredell, implementing this caution with a report of the Federal Bureau of Investigation that last year there was an increase of 80 per cent in the number of fraud cases affecting credit over 1950, said the Bureau of the N.A.C.M. now has under investigation 32 cases involving losses totaling more than \$2 millions.

The question of centralized versus decentralized organization of credit departments was discussed by W. R. Dunn, general credit manager, General Foods Corporation, at the forenoon session. Howard E. Kroll, regional specialized report manager, Dun & Bradstreet, Inc., spoke on "Appraising Customers' Financial Policy," and Ben W. Heineman, attorney, explained features of the proposed uniform commercial code.

E. L. Peterson, Standard Milling Company, chairman of the conference committee, presided at the afternoon forum. E. O. Berg was in charge at the luncheon, addressed by Joseph T. Meek, president of the Illinois Federation of Retail Association, who urged business to participate in politics to drive out crime.

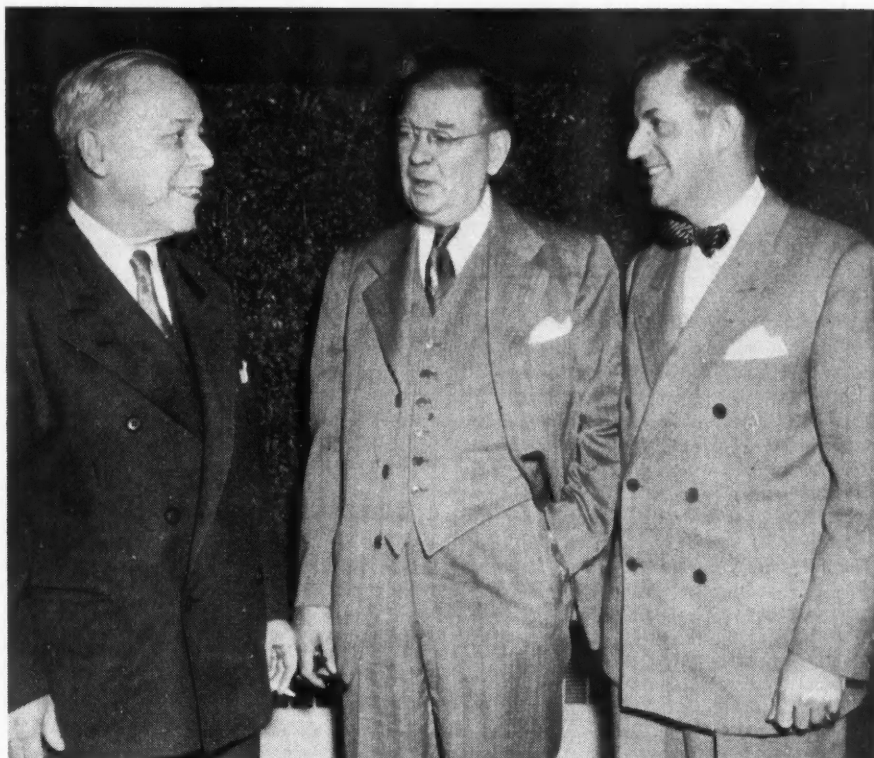
Treasurer Kettelman Started At Kuhlman as Credit Manager

John G. Kettelman, treasurer of The Kuhlman Builders Supply and Brick Company, Toledo, Ohio, joined



the company as credit manager after experience in real estate and banking fields, including five years with the Ohio state banking department. He became assistant secretary of the Kuhlman company and then was advanced to treasurer. Mr. Kettelman is chairman of the Toledo Builders Supply Credit Group, which he helped organize, and was president of the Toledo Association of Credit Men 1945-46.

Tearney Advances at Inland Steel



ORVILLE B. TEARNEY (right) has been appointed manager of corporate insurance as well as manager of credits of the Inland Steel Company, succeeding Thomas J. Sullivan (left), who has retired after 44 years with the company. Edward P. Foley (center), credit manager of the Republic Steel Corporation, Cleveland, Ohio, is the "dean" of the steel credit managers. Mr. Sullivan is a former director of the Chicago Association of Credit Men. Sherman Hoyt has been named assistant manager of corporate insurance of Inland, the post vacated by Mr. Tearney's promotion.

Mr. Tearney, born and reared in Chicago, is an alumnus De La Salle

Institute and Loyola University and a graduate of the executive program of professional business education of the University of Chicago. After completing his studies he became associated with Inland Steel.

Member of the Executive Program Club of Chicago, the Export Managers Club and the National Foreign Trade Council, Mr. Tearney is also vice chairman of the committee on insurance problems of the American Iron and Steel Institute. He is a charter member of the National Insurance Buyers Association and the Midwest Insurance Buyers Association and a director of the Chicago Association of Credit Men.

Secretary-Manager at Dallas Was with Toledo Association

George E. (Larry) Lawrence, the new secretary-manager of the Dallas (Texas) Wholesale Credit Managers Association, Inc., was born in South Dakota in 1914, attended high school at Mitchell, S.D., and Dakota Wesleyan University. On completion of his work at the uni-



versity, he took employment with the United States Government, in the production department of the U. S. Printing Office. Leaving in 1945 he served two years in the U. S. Navy as a radar instructor.

After discharge from the Navy he became associated with the N.A.C.M.—Interstate Division, Sioux City, Iowa. Two years later he joined the National staff and went on to secretary-manager of the Toledo (Ohio) Association of Credit Men for three and one-half years.

News of Credit Women's Groups in Action



• Minnesota Credit Women of Minneapolis and St. Paul, as two teams, participated in a radio quiz program on business and general questions. St. Paul was represented by *Audrey Bongard*, Hamm Brewing Co.; *Beverly Barclay*, Vern C. Reppen Co.; *Betty Felling*, Wolters Auto Supply Co., and *Jeanne Witt*, Midway National Bank. On the Minneapolis team were *Ann Jamison*, Murdock Jewelry Co.; *Ruth Kincaid*, Minnesota Supply Co.; *Betty Knapp*, Levin Bros., and *Elsie Stevens*, N.W. Radio Co. The result was a tie—for once a man (the M.C.) had the last word.

At earlier meetings the Minneapolis group discussed "Keeping Credit Information Confidential," took a trip to Hawaii by film, and joined other women's clubs in hearing Senator Margaret Chase Smith.

• Toledo (Ohio) Credit Women conducted a panel discussion of three specific phases of credit management: wholesale, retail and bank. The moderator was *Cleda Martin*, First Federal Corp. *Jean Murphy*, of Federal Store, discussed the retail aspects; *Assundi Mucci*, Landers Corp., represented wholesale, and *Florence Lupe*, First Federal Corp., gave the bankers' view.

• Los Angeles Credit Women heard Christopher McDonnell, attorney of Craig, Weller and Laughron, discuss "What Every Credit Executive Should Know about Bankruptcies, Frauds and Preferences." The club again has awarded two scholarships.

• St. Louis Credit Women, on Bosses' Night, were addressed by *Dr. Sylvia Sorkin*, on "It's the Little Things—." The club's scholarship fund was materially increased.

• Cincinnati Credit Women had as guests *Miss Loretta Fischer* of Milwaukee, Wis., national chairman of the credit women's executive committee, and *Mrs. Flora B. Hilger*, Louisville, Ky., district executive committee member.

• Cleveland's Group was addressed by *Victor C. Eggerding*, Gaylord Container Corp., St. Louis, Mo., N.A.C.M. central division vice president, on "Woman's Place in Industry."

• Detroit's Credit Women again awarded scholarships to two students at Wayne University at a meeting discussion of "Women as Policy Makers."

• New York Credit Women had as guest speaker *Harmon Martin* of the National City Bank of New York. *Tema Weintraub* is program committee chairman.

• The Credit Women's Club of Chicago heard *Ralph L. Lee*, of General Motors' public relations department, analyze "People As They Come and Are." President *D. A. Grant* of the Chicago Association of Credit Men introduced the speaker.

Houston, Industrial Frontier, Ready for N.A.C.M. Congress

(Concluded from page 31)

fineries, flour mills, cement manufactures, electric power plants.

Harris county entered 1951 with a labor force of 347,525 and at year's end counted 360,920. Unemployment dropped from 9,300 to 7,000. There are 1,223 manufacturing plants. Total 1951 income of residents was estimated at \$1.45 billions, up \$50 millions. Houston's retail sales passed the billion dollar mark.

Since 1939, the number of manufacturing plants has almost doubled; industrial employment more than trebled; consumption of non-residential electric power trebled; consumption of non-residential gas has risen 400 per cent; value of industrial products, 600; wages by manufacturers, 600.

The war years brought amazing growth in chemical production—\$325 millions in new facilities in the Gulf Coast; postwar, even more.

Besides the petroleum and petrochemical industries, there's manufacture of iron and steel, synthetic rubber, paper pulp, building materials, cement bags and bagging, cement, paint, containers, clothing, compressing and warehousing of cotton, milling of rice and flour.

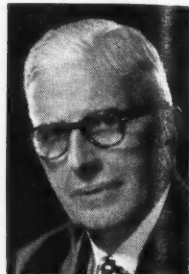
Houston has indeed set a bountiful industrial table for N.A.C.M. delegates.

Rockbestos Honors Armstrong

William C. Armstrong, secretary and treasurer of the Rockbestos Products Corporation, New Haven, Conn., was one of 16 honored for long service. Mr. Armstrong, with the company 30 years, is a past president of the New Haven Association of Credit Men, Inc.

Insurance Charts Feature New Manual by Whitmore

Absolute checking methods by which the insurance buyer can determine if the business or individual has complete coverage and adequate protection are provided by *Robert S. Whitmore* in his new book, *Your Insurance Program* (Murray & McGee, Inc., Culver City, Calif., 136 pages, \$5).



Mr. Whitmore is first vice president of Bayly, Martin and Fay, Inc., of Los Angeles and is known nationally as an insurance counsellor.

In both content and presentation the new work adds up to a valuable and readily usable manual. Charts throughout the volume clarify definitions and obscure clauses for both new and seasoned purchasers of insurance. These charts are of Mr. Whitmore's own designing.

Emphasizing the damage done to business structures by policies hazily conceived and inadequately written, the author urges employment of the services of competent agents and brokers, and shows how best to select them.

The treatment of the many phases includes the range of insurance potentials of companies, professional men and women and other individuals. Among the subjects of the chapters are: Charts of exposure; insurance as a factor in credit; the meaning and importance of warranties in insurance policies; blanket insurance; the coinsurance clause; the prorata distribution clause; how to read insurance policies; selecting your insurance brokers; and the relation of insurance to value.

The Insurance Number of Credit and Financial Management Magazine will appear in October. Among the special features of the October issue will be an exclusive article which Robert S. Whitmore now has in preparation.

Mr. Whitmore is a member of the Los Angeles Credit Managers Association and of the N.A.C.M. insurance committee.

MANAGEMENT IN THE NEWS

—W. G. KANE—

President of the Central Iowa Unit of N.A.C.M. (Des Moines), Mr. Kane has been with the Central National Bank and Trust Company since 1944 as vice president, his principal activity in commercial loans and credit operations. In addition, he has been associated with the State



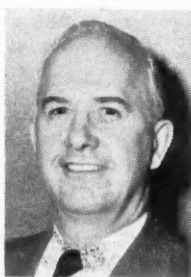
Banking Department of Iowa, the National Banking Department, Reconstruction Finance Corporation and various Chicago (Ill.) banks. Active in Robert Morris Associates, he is vice-president of the Missouri Valley Chapter. During the last eight years Mr. Kane has rendered extensive service to the credit association, and in 1951 was elected president.

—WILLIAM B. POE—

The president of the Akron (Ohio) Association of Credit Men has been comptroller of Ferriott Bros., Inc., and the Fenco Manufacturing Company since 1946 and 1948 respectively. He also has been credits and collections and office manager. He was supervising bank examiner, Division of Banks, State of Ohio, 1936 through 1944, and a lieutenant U.S.N.R., 1944-46. His career with the credit association has included service as secretary-treasurer in 1949, vice-president in 1950, and on to the presidency in 1951.



W. B. POE



F. W. CAVANAUGH

—FRANCIS W. CAVANAUGH—

The president of the Columbus (Ohio) Association of Credit Men has for the past ten years been executive secretary of the Denison Engineering Company, also handling credits. His experience in business covers a wide range, including one year in a lumber yard office, one year

as a court stenographer, 13 years with the U.S. Radiator Corporation, both as a credit man and salesman, and nine years with a local brewery as assistant to the president, prior to joining Denison. Mr. Cavanaugh was director of the Columbus Association for several years before taking over the presidency in 1951.

—NORBERT G. BAUSCH—

President of the Omaha (Nebr.) Association of Credit Men, Mr. Bausch is also treasurer and credit manager of the Henry W. Miller Electric Company, in charge of financial and office operations of the company, including credit, accounting, disbursements, insurance and tax matters. Formerly assistant professor at Creighton University, Omaha, Mr. Bausch left in 1942 to join Miller Electric but he has continued as a lecturer in cost accounting at the university. He is a member of the American Institute of Accountants, American Accounting Association, Omaha Chamber of Commerce, and Delta Sigma Pi Fraternity.



W. E. TILLINGHAST



N. G. BAUSCH

—WARREN E. TILLINGHAST—

Mr. Tillinghast, president, Rhode Island Association of Credit Men, is comptroller of the Providence Paper Company. He was treasurer of the local credit group for eight years until spring last year when he was elected president. Prior to joining the paper company in 1943 as office manager, he was plant accountant for Brown & Sharpe Manufacturing Company. For six years he was associated with Bryant College as bursar. He is a member of the National Association of Cost Accountants. Mr. Tillinghast attended the University of Rhode Island and was graduated from the Business Administration School of Bryant College in 1933, after which he began working as a clerk at the Sun Oil Company.

—A. J. REINHART—

The president of the Northern Wisconsin-Michigan Association of Credit Men, Green Bay, Wis., is assistant secretary and assistant treasurer of the Norcor Manufacturing Company, Inc., Green Bay. A graduate of the college of business administration, Marquette University, Mr. Reinhart joined Norcor in 1936, and in 1937 became office and credit manager. In 1947 he was appointed to his present position and continues to manage the credit department.



H. C. PFOF



J. M. HAMRIC

—HARRY C. PFOF—

President of the New Jersey (Newark) Association of Credit Executives, and credit manager of the Simmons Company since 1929, Mr. Pfof saw service in the Merchant Marine in World War I, returning to join the Federal Reserve Bank credit department, where for eight years he obtained experience. Mr. Pfof is a member of the Informal Credit Group of the Floor Covering Industry, the Elizabeth Chamber of Commerce and the Philadelphia Manufacturers and Distributors Group.

—JOHN M. HAMRIC—

The president of the Charleston (W. Va.) Association of Credit Men recently was appointed to assistant cashier of the Charleston National Bank, the largest national bank in the state. A native West Virginian, reared on a farm in Branton County, and a former country school teacher, Mr. Hamric was associated with the Libbey-Owens-Ford Glass Company and the National Biscuit Company before entering the banking business in 1926. He is a graduate of the American Institute of Banking.

LOCAL CREDIT IN



ASSOCIATIONS ACTION

CONDENSED REPORTS OF MEMBERSHIP MEETINGS OF ORGANIZATIONS THROUGHOUT THE COUNTRY

PHILADELPHIA, PA.—A panel discussion on credit department methods and procedure featured the membership meeting, with *Stephen F. Sayer*, assistant vice president, The First National Bank of Philadelphia, as moderator. Panel members were *John T. Brown, Jr.*, treasurer, Hajoca Corporation; *C. H. Dicken*, credit manager, Gimbel Brothers; *D. W. Liscom*, credit manager, Joseph T. Ryerson & Son, Inc.; and *J. W. Sattazahn*, credit manager, Scott Paper Company. The meeting was sponsored by the credit classes at Temple University. At a second meeting *Frank Hennessy*, representative of the collector of internal revenue of Philadelphia, spoke on "The Current Federal Income Tax Law."

MILWAUKEE, WIS.—"Training and Security" was the topic of the Milwaukee membership meeting, with an address by *J. E. Te Poorten*, coordinator, Wisconsin Schools of Vocational and Adult Education.

PORTLAND, ORE.—*Dr. Arthur H. Livermore*, associate professor of chemistry, Reed College, chose "The Atom in War and Peace" as his subject, and presented color motion pictures of the atomic experiments at Enewietok.

DULUTH, MINN.—Members of the Duluth-Superior District Credit Association, at their Annual Stockholders Meeting, heard an address by *Henry H. Heimann*, executive vice president of the N.A.C.M., on "Your Dollar, Your Taxes, Your Business."

TOLEDO, OHIO—Credit executives and office managers in joint meeting heard *Jack C. Staehle*, director of industrial relations, Aldens, Inc., Chicago, discuss "Management's Responsibilities." In addition to their monthly dinner meetings, the Toledo Association of Credit Men has organized a weekly luncheon club, the "Ledger Circuit," for fellowship—but no formal talks.

HARTFORD, CONN.—At a so-called "Bankers' Night," the Hartford credit managers and bankers joined to hear *Nicholas J. Murphy*, vice president in charge of the foreign department, The Chase National Bank, New York City. "Current Problems of the Credit Executive" was his topic.

NEW ORLEANS, LA.—Explanation in detail of the objectives of the O.P.S. was made by *Dr. Gerald E. Warren*, district O.P.S. price executive, at the monthly membership meeting.

CHARLOTTE, N. C.—Business and credit this year in light of 1951 experiences was the topic of a panel discussion by *R. R. Reid*, Grinnell Company, Inc.; *A. R. Shaw, Jr.*, Caskie Paper Company, Inc.; *W. J. Winter*, Edgecomb Steel Company; *Edmund J. Repetto*, Wachovia Bank & Trust Company; *O. E. Smith, Jr.*, Biggers Brothers, Inc.; and *G. I. Ray, Jr.*, McLain Distributing Company.

St. LOUIS, Mo.—Participating members of the St. Louis Association of Credit Men and the St. Louis Chapter of the Robert Morris Associates presented a panel discussion of "Closer Cooperation Between Bank and Commercial Credit Executives," answering questions submitted by members of both organizations. On the panel from Robert Morris Associates were *Arthur F. Boettcher*, vice president, Boat-

men's National Bank; *Harrison F. Coerver*, vice president, Mercantile Trust Company; and *Frank B. Merget*, vice president, Mercantile Commerce National Bank. Representing the credit association were *A. F. Brigham*, credit manager, Pet Milk Company; *Arthur F. Gerecke*, manager, credit and adjustment department, Pulitzer Publishing Company; and *P. J. Wilder*, credit manager, Century Electric Company.

SOUTH BEND, IND.—A visit to the plant of the Campbell Box & Tag Company was followed by dinner and a forum discussion on "Credit Today." *Guy L. Lamb*, of the Campbell company, was chairman.

KALAMAZOO, MICH.—*J. A. McCormick*, president and manager of McCormick Associates, Battle Creek, addressed the membership on "What's Ahead in Labor Relations."

OMAHA, NEBR.—*James A. Hart*, director of the economics department, Creighton University, spoke on "Are We Drifting Toward British Socialism?"

COLUMBUS, OHIO—Interest has been shown among the members in the inauguration of luncheon meetings. A recent session was addressed by *Senator Roscoe R. Walcutt*.

SYRACUSE, N. Y.—"Problems Facing Credit Management" was the subject of *Fred F. Hoyt*, vice president and chief financial officer of the Carrier Corporation. The guest speaker joined Carrier in 1937 as controller and was elected vice president in 1942.

WORCESTER, MASS.—*Mrs. Vera Green*, assistant treasurer, secretary and member of the board of Botwinik Bros. of Mass., Inc., addressed the membership on "Credit to Women?"

PITTSBURGH, PA.—Four weekly "Credo" luncheons in the month were addressed by *C. D. Palmer*, president, Pittsburgh Railways Company, on "Reorganization of a Public Utility"; *Alexander Henderson*, professor of the graduate school of industrial administration, Carnegie Institute of Technology, on "An Economist Looks at Nationalization of Industry"; *M. D. Bachrach*, senior partner, Bachrach, Sanderbeck & Company, on "Credit Problems Posed by the New Income Tax Laws"; and *G. H. Dennison*, general manager, Better Business Bureau of Pittsburgh, on "Behind the Scenes with the Better Business Bureau."

DALLAS, TEXAS—The first of two successful membership luncheons was addressed by *Dan Smott*, former Federal Bureau of Investigation representative and for three years a member of Director J. Edgar Hoover's staff. His subject was "The Facts About Facts Forum." The second luncheon was addressed by *G. Duffield Smith*, vice president and managing counsel of the Dallas Better Business Bureau.

SPRINGFIELD, MASS.—*James M. Jones*, treasurer, Decatur & Hopkins Company, and past president of the Boston Credit Men's Association, addressed the membership of western Massachusetts on "Current Trends—Optimistic or Pessimistic."